

PROJECT							
71024 - IND. PRICE BEHAV. B	\$ 1.00						
1015 - State & local taxes							
71023 - PEP-C							
71052 - Population	\$ 4.50						
71081 - Inter. factor demand							
72083 - NON-MKT. ACTIV.	\$ 6.00						
73031 - Law & economics	\$ 17.42						
73058 - Agricultural production	\$ 583.90						
73059 - Return educational qual.	\$ 381.87						
73062 - Poverty & labor markets	\$ 1750.95						
73063 - Income & earnings	\$ 359.97						
73064 - ROLE OF EDUCATION IN PRODUCTION IN HOUSEHOLD	\$ 103.93						
73067 - HUMAN FERTILITY BEHAVIOR	\$ 562.70						
73100 - ECON. ANALYSIS - HEALTH	\$ 9.00						
75013 - Dating post-war bus. cycles							
75031 - Money & banking	\$ 81.21						
75041 - Short-term forecast							
75042 - ECON. INDICATORS	\$ 7.13						
76032 - Health	\$ 525.98						
76040 - Org. mkts. & func. amer. econ.	\$ 5.13						
77058 - CONVERTIBLE BONDS	\$ 933.01						
77059 - HOUSEHOLD PORTFOLIO BEHAV.	\$ 2.00						
78052 - Trans. plan. - region. devel.							
78063 - Inst. fellowship-LDC's							
78066 - Prices intern'l. trade	\$ 1.00						
78067 - Price quan. - intern'l. trade							
78071 - Manufacturing abroad-U.S.							
78072 - EFFECT U.S. DIRECT INVEST.							
79011 - Research fellow. HECKMAN	\$ 743.80						
79022 - Data bank	\$ 44.15						
79032 - COMPUTER WORKSHOPS							
41000 - General administration							
41010 - Accounting							
41040 - Publications							
41060 - Contributions							
42050 - data processing	\$ 31.99						
42050 - Research Asst. Project							
42050 - Repair							
42052 - COMPUTER OPERATIONS							
TOTALS	\$ 6156.54						

COLUMBIA COMPUTER  
 JANUARY 1973  
 MARCH 1973  
 LEDGER

1 0 0  
 4 5 0  
 6 0 0  
 1 7 4 2  
 5 8 3 9 0  
 3 8 1 8 7  
 1 7 5 0 9 5  
 3 5 9 9 7  
 1 0 3 8 3  
 5 6 2 7 0  
 9 0 0  
 8 1 2 1  
 7 1 3  
 5 2 5 9 8  
 5 1 3  
 9 3 3 0 1  
 2 0 0  
 1 0 0  
 7 4 3 8 0  
 4 4 1 5  
 3 1 9 0  
 6 1 5 6 5 4

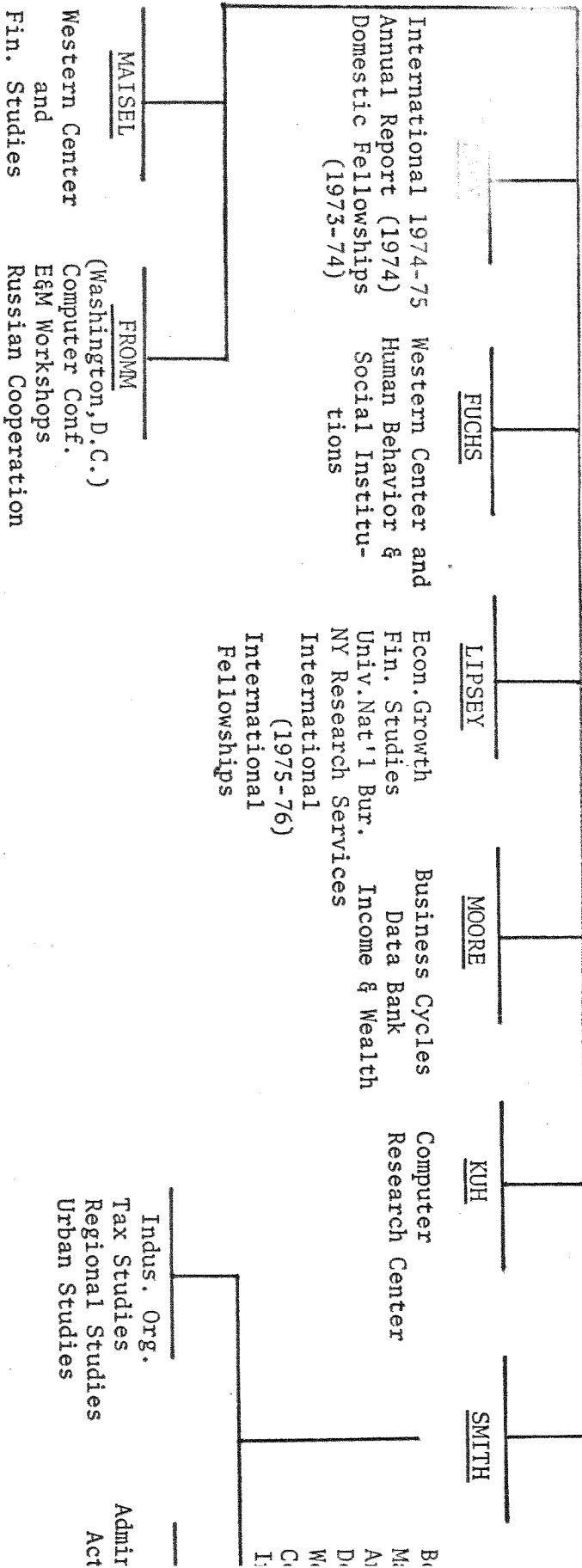
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 MAR 8 1973

PRESIDENT'S OFFICE

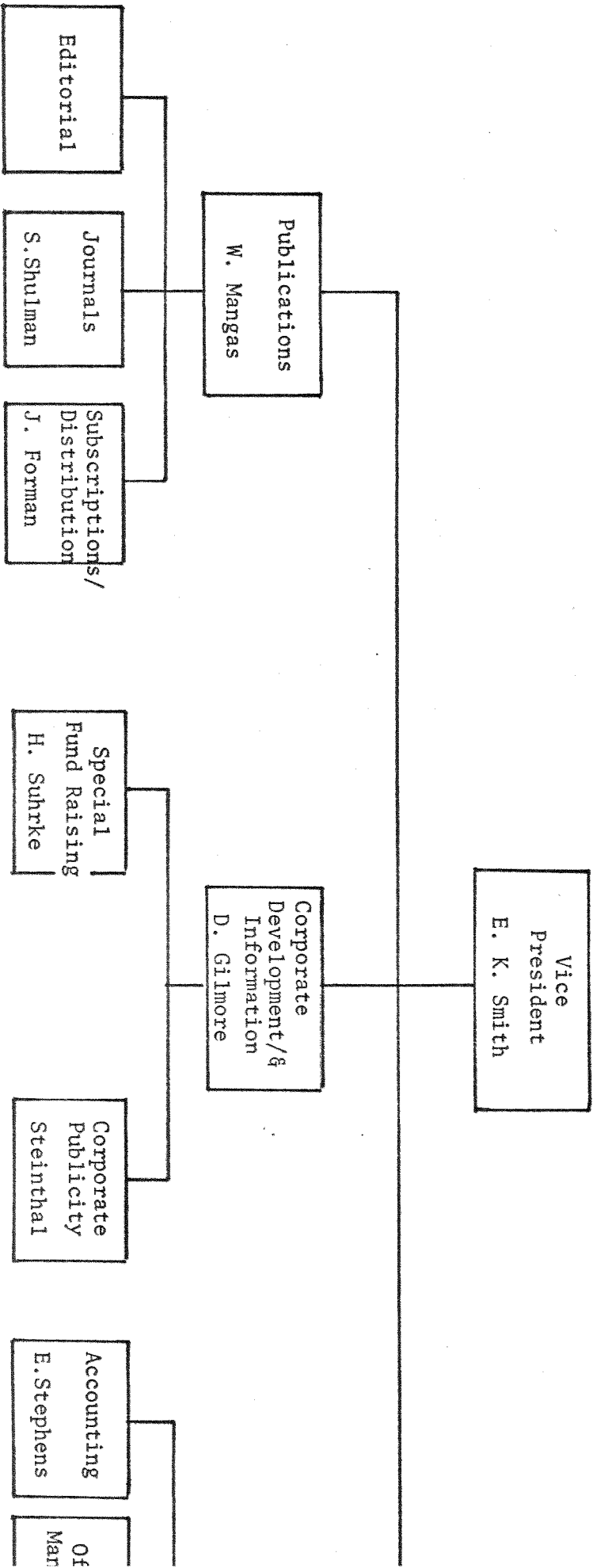
The money is gone (spent) for this project. Absolutely no more should be spent at Columbia on this project!

NBER GENERAL ORGANIZATION

President  
J. R. Meyer



NBER ADMINISTRATIVE ACTIVITIES



\* Business Managers report directly to the Vice Presidents of their respective offices. They have a secondary reporting relationship through the Finance and Administration group to insure the coordination of overall Bureau administrative policy.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: All NBER Vice Presidents  
From: Sydney Shulman  
Date: April 17, 1974  
Subject: Policy Meeting

Further to John Meyer's memo of April 12, 1974,  
the policy meeting will be held in Cambridge (575 Technology Square)  
on May 6, 1974 at 11:00 a.m.

cc: D. Eldridge  
G. Fromm  
V. Fuchs  
E. Kuh  
H. Lary  
✓ R. Lipsey  
S. Maisel  
G. Moore  
E.K. Smith

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: All NBER Vice Presidents  
From: John R. Meyer *JRM*  
Date: April 12, 1974  
Subject: Policy Meeting.

I think the time is right for us all to meet for the better part of a day to go over a series of major policy problems which need collective discussion. We would, at the same time, be acting on the Lipsey/Fuchs suggestion, which is a good one, to meet periodically for research coordination.

I would suggest that we meet in Cambridge sometime in late April or early May (before the Board meeting). In particular, April 29, May 6, or May 10 are good dates on my calendar.

JRM:ejl

CC: D. Eldridge  
G. Fromm  
V. Fuchs  
E. Kuh  
H. Lary  
R. Lipsey ✓  
S. Maisel  
G. Moore  
E. Smith

Dear Dr. Meyer -

Robert Lipsey prefers May 10. He could make himself available April 29 or May 6 in the morning only, as he teaches in the afternoon.

*M.M.*  
*4/16/74*

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: Victor Fuchs and Robert Lipsey  
From: John R. Meyer *JRM*  
Date: April 2, 1974  
Subject: Information on Proposals

Your suggestion that we hold meetings of all the officers involved in developing research programs on a regular basis is, in general, a good one. I do, however, see some problems in scheduling. Also, the need is rather greater for some VP's than others - Ed Kuh, for instance, is less likely to find this sort of thing rewarding than some others. I shall, however, circulate a memo to all the vice presidents containing the gist of your memo and eliciting their responses.

JRM:ejl

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: Vice Presidents-Research, and others with Sr. Research Responsibilities  
From: John R. Meyer *JRM*  
Date: April 2, 1974  
Subject: Research program meetings

Now that we have so many separate offices, it has been suggested that it might be advisable to hold meetings of all the officers involved in developing research programs on a regular basis, perhaps once every two months. We could exchange views concerning the Bureau's research program and keep one another informed about possible new directions.

It has further been suggested that it might be helpful if all officers with major responsibilities for research administration would circulate to one another brief memos about possible new projects and anticipated changes in staff, well before the formal action or proposal stage.

I would appreciate your response to these ideas as soon as possible. Thank you.

JRM:ejl

CC: D. Eldridge  
G. Fromm  
V. Fuchs  
E. Kuh  
H. Lary  
R. Lipsey ✓  
S. Maisel  
G. Moore  
E. Smith

CORRECTED COPY

John Meyer

Robert Lipsey

March 28, 1974

Payment arrangements for academic staff

Under the method we frequently use for paying salaries of research associates and staff members with academic appointments the total annual Bureau salary is spread evenly over the whole year. Since the NSF, and perhaps other agencies, permit payment to a full-time faculty member from grant funds of only 2/9 of his academic salary, we must shift each person from restricted to unrestricted funds as soon as his cumulative salary payments reach that level. This switch takes place at a different time for each person and is a nuisance for budget-making and accounting, particularly since there are constant changes in both Bureau and academic salaries.

One way to simplify the work of the Accounting Department would be to shift to paying academic personnel at a full-time rate (1/9 of annual academic salary per month) during July and August and spreading only the remainder of the salary, if any, over the rest of the year. I therefore plan, unless there are objections, to begin shifting those under my jurisdiction to a full-time summer, part-time academic year payment basis in new grant applications. I hope to have most people on that arrangement starting July 1, 1974. ←

Some relevant sections of the NSF rules are attached.

cc: Vice Presidents (Eldridge, Fuchs, Lary, Moore, Smith)  
Gary Fromm  
Warren Lackstrom  
Sherman Maisel  
Robert Michael  
Gerry Ronkin  
Chris Mortensen  
Frank Patterson



EXCERPTS

U. S. NATIONAL SCIENCE FOUNDATION

"Grants for Scientific Research

NSF Brochure 73-12

Salaries & Wages

As a general policy the Foundation recognizes that salaries of faculty members and other personnel associated directly with the research constitute appropriate direct costs in proportion to the effort each expects to devote to the research.

However, summer salary for faculty members on academic-year appointments generally will not be reimbursed for more than two-ninths of their regular academic year salary. Exceptions to this limitation are permitted in unusual cases which must be fully justified in the proposal.

\* \* \*

...grant funds may not be used to augment the total salary or rate of salary of faculty members during the period covered by the term of faculty appointment or to reimburse faculty members for consulting or other time in addition to a regular full-time institutional salary covering the same general period of employment.

\* \* \*

These same principles apply to other types of organizations, such as research institutes. In those groups, however, the period of employment is usually on an annual basis, and there is seldom the possibility of "summer salary".

A special question sometimes arises when an independent institute or laboratory submits a proposal to employ college or university faculty members on a part-time basis. In such cases the general intent of the above policies shall apply, so that total income will not be augmented in ways that would not be possible under a grant to a university.

John Meyer

Victor Fuchs and Robert Lipsey

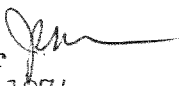
March 25, 1974

Information on proposals

The recent questions that arose concerning the proposed work by Paul Wachtel on Educational Production Functions point up a more general problem of intra-Bureau communication and coordination about new research, staff appointments, and related matters. We think it would be useful, especially now that we have so many separate offices, to hold meetings of all the officers involved in developing research programs on a regular basis, perhaps once every two months. The purpose would be to exchange views concerning the Bureau's research program and to keep one another informed about possible new directions. In addition, it would be helpful if all the officers with major responsibilities for research administration would circulate to one another brief, informal memos about possible new projects and anticipated changes in staff, well before the formal proposal stage.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: All Officers  
From: John R. Meyer   
Date: February 15, 1974  
Subject: Organizational and Administrative Changes

Now that the West Coast office is about to open, it would seem prudent to implement some administrative changes that will make our operation more cohesive and will also help to eliminate some overlap in responsibilities and occasional breakdowns in communications. Most of these changes are not major, but I feel it is important to set them down formally.

As you are aware, Bob Michael has already left for the West Coast and Victor Fuchs will be leaving shortly to assume the co-directorship of our office in Palo Alto. Because of these moves and other considerations, it makes sense to consolidate space by moving the Publications Group from the 18th floor into space now becoming available on the 10th floor. This will be done shortly - hopefully with a minimum of discomfort to personnel involved.

Since Hal Lary will retire during the next year or so, I think we should also begin to think about how his duties should be reallocated. Bob Lipsey is the obvious person to assume Hal's responsibilities for our international studies, including our international post-doctoral fellows. It also seems logical to have Doug Eldridge, already responsible for manuscript review processes, take on the Annual Report phasing into it as a helper to Hal this year and assuming the dominant responsibility (possibly with Hal's help) in 1975. In addition, I have asked Doug to "phase into" Hal's duties involved in the handling of our domestic post-doctoral fellows, assuming full responsibility starting in September of this year.

Sherman Maisel of the University of California at Berkeley, and Gary Fromm of American University in Washington, D. C., will be coming to NBER to take on responsibilities for new activities; Sherm as co-director of the West Coast office and Gary as coordinator of our US-USSR Cooperative effort in the field of Application of Computers to Management. Gary will continue as chairman of the NBER Conference on Econometrics and Mathematical Economics. Sherm and Gary may, in turn, bring their own research activities to the Bureau. There is also the strong possibility that we may open a small liaison office in Washington from which Gary will work.

Don Gilmore, as head of our Corporate Development effort under the direction of Ed Smith, will move the major locus of his activity to New Haven in the near future, spending only one or two days a week in New York. Don will continue to work with Henry Suhrke on Special Fund Raising and Nancy Steinthal will be responsible for Corporate Publicity. Both will report

To All Officers: Organizational Changes  
John R. Meyer  
February 15, 1974

page 2

directly to Don. In the not too distant future it would also seem logical to transfer and consolidate the various internal fund raising and related record keeping activities, so as to lighten Doug Eldridge's load as he assumes the new duties outlined above.

With Don Focussing on corporate development activities and officed mainly in New Haven, it seems logical to have Will Mangas report directly to Ed Smith regarding editorial and publication activities.

Sydney Shulman will continue as my secretary in New York, making all my travel arrangements and handling my schedule. It would be generally helpful to work through Sydney regarding my travel and scheduling since Eleanor Lintner, my secretary in Cambridge is in the office only two days a week. Additionally, Sydney will work on the Annals and the new occasional paper journal, Explorations in Economic Research, under Will Mangas' direction.

We have also made some changes in recent months in the Accounting Department and these are codified on the attached organizational charts. The Accounting Department has had a difficult job, particularly when one considers our growth pattern over the past few years, and the numerous problems caused by understaffing, the implementation of new accounting procedures and the installation of new accounting machines. Our main task at the moment is to "beef up" the accounting staff and accordingly, a search is on for an Assistant Comptroller with expertise in contracts and grants. As before, accounting will report directly to Warren Lackstrom.

However, I have also added to Warren's duties the function of coordinating office management activities at the Bureau. Business managers in our four offices are: Frank Patterson in New York (assisted by Ruth LePan), Jill Kaiser in New Haven, Thomas Eaton in Cambridge and someone still to be designated for the West Coast. Obviously, all business managers must be responsible to the vice presidents and researchers at their respective offices, but they also have a reporting relationship with Warren Lackstrom for establishing overall policies. Warren is currently spending the majority of his time in New York, but as soon as solutions to a few remaining accounting problems are found he will revert to his practice of spending one day a week in New York.

In addition to his budgetary responsibilities, Gerry Ronkin will become manager of the Computer Operations Activity (COA) in Cambridge and will report to Warren Lackstrom.

To All Officers: Organizational Changes  
John R. Meyer  
February 15, 1974

page 3

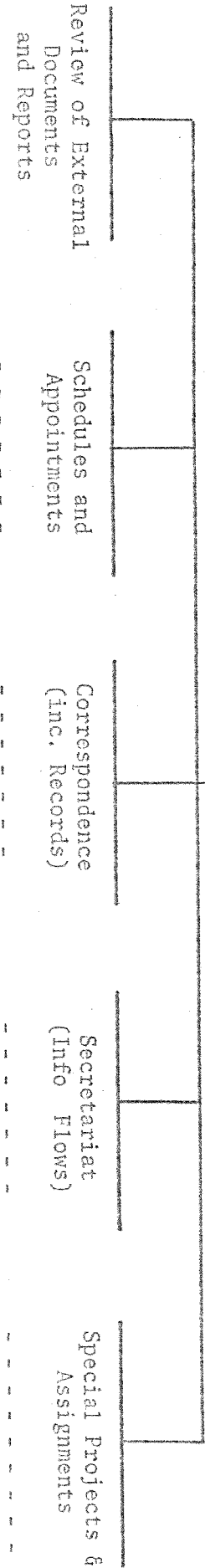
I'm sure everyone has felt the effects of inflation in their daily lives. The Bureau, like everyone else, is feeling these same unpleasant effects. Since we want very much to maintain our present practice of merit and cost-of-living increases, we ask your help and cooperation in consolidating space and your patience in putting up with the inevitable transitional inconveniences.

JRM;ejl

cc: Douglas Eldridge  
Victor Fuchs  
Edwin Kuh  
Hal Lary  
Robert Lipsey ✓  
Sherman Maisel  
Geoffrey Moore  
Edward Smith  
Mark Eisner  
Donald Gilmore  
Warren Lackstrom  
Robert Michael  
Evan Stephens  
Charlotte Boschan  
Gary Fromm  
Will Mangas

OFFICE OF THE PRESIDENT

President  
J. R. Meyer



Steinthal/Shulman

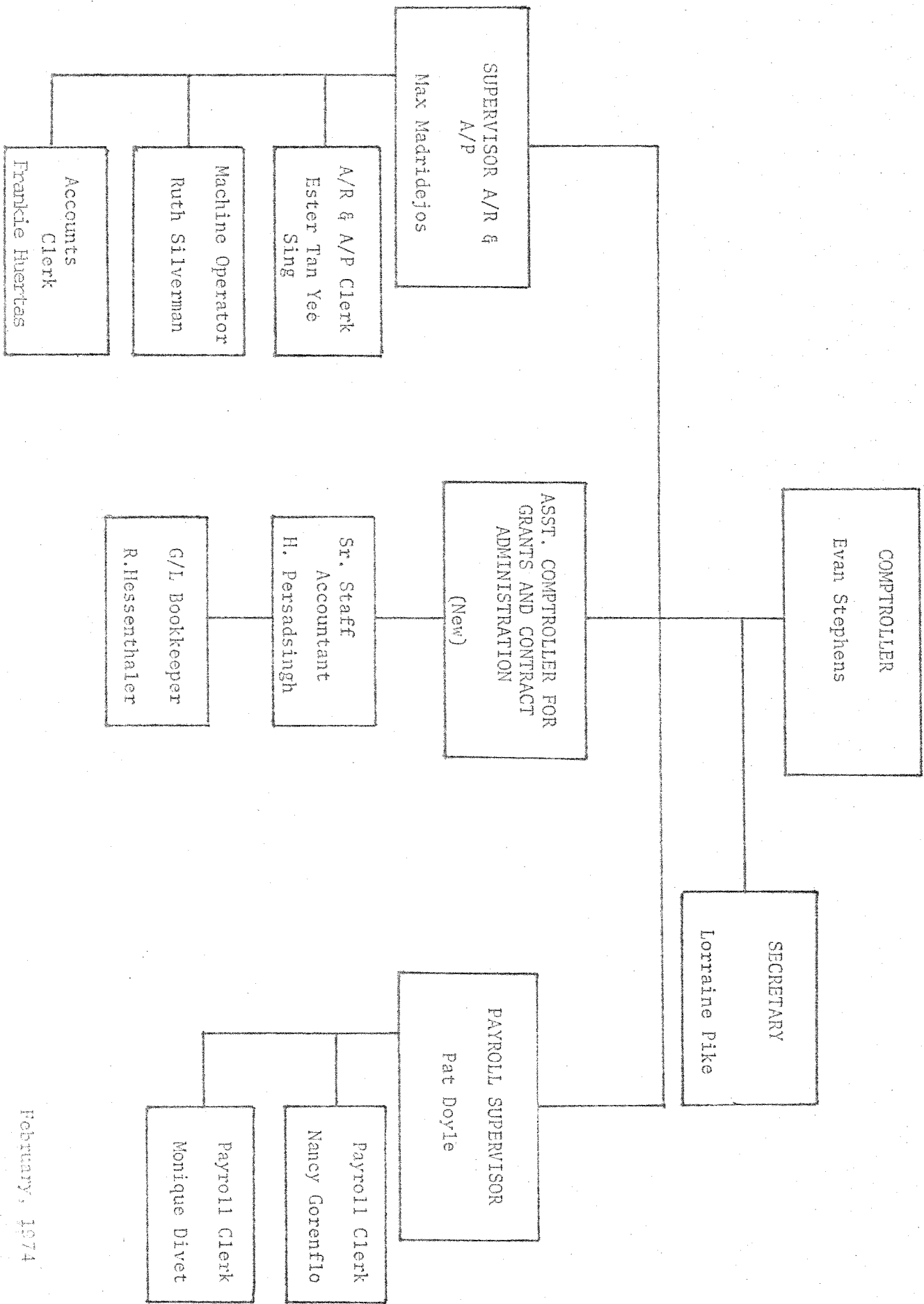
Shulman

Lintner

Shulman  
LaMotta  
Lintner  
Tremblay

Tremblay  
Shulman  
Steinthal

NBER ACCOUNTING DEPARTMENT



NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.  
COMPUTER RESEARCH CENTER FOR ECONOMICS AND MANAGEMENT SCIENCE

Memorandum

To: All NBER Officers  
From: John R. Meyer *JRM*  
Date: February 5, 1974  
Subject: Space

As you are aware, we hope to have the West Coast office open and operating within the next few weeks. Bob Michael has already moved to California and Victor Fuchs will be moving shortly. Because of this and other considerations, it would make sense to consolidate space at the New York office by moving the Publications group to the 10th floor, thereby vacating the space we now have on the 18th floor. Moreover, this must be executed by the 15th or so of April since our lease runs out at the end of April.

I have asked Ed Smith, Bob Lipsey and Will Mangas to act as a committee to see that the move is made as quickly and with as little inconvenience to personnel as possible.

I am sure I do not have to belabor the fact that these are at best abnormal times for NBER. Like the decision made to be more cautious in the employment of secretaries, the decision to move the Publications group is being made as a result of the transition brought about, in part, by the opening of the West Coast office. Additionally, though, there is the threat of more budgetary constraints due to the ever-increasing inflation. Since we want to maintain our present practice of granting merit and cost-of-living increases, we shall have to look to other areas in which to save money; specifically, in the careful consideration of all new hires and in utilizing existing office space to maximum efficiency.

I believe that we can make all the changes necessary for the good of NBER with a minimum of discomfort if every effort is made to cooperate and communicate fully between ourselves so as to coordinate and implement these changes. Hopefully, we should be back to normal shortly - say by mid-summer at the latest.

JRM:at

Distribution: D. Eldridge  
V. Fuchs  
D. Gilmore  
E. Kuh  
W. Lackstrom  
H. Lary  
R. Lipsey ✓  
W. Mangas  
R. Michael  
G. Moore  
E. Smith



NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: NBER Vice Presidents, Asst. Vice Presidents and other officers  
From: John R. Meyer  
Date: January 28, 1974  
Subject: Hiring of Secretarial help

Due to the transfer of personnel from New York to the West Coast office, as of this writing, all hiring of secretarial help for the New York office must be approved by Warren Lackstrom, Ruth LaPan and me, in that order, before being made effective.

JRM:ejl

Distribution: Boschan  
Eldridge  
Eisner  
Fuchs  
Kuh  
Lary  
LaPan  
Lackstrom  
Lipsey ✓  
Mangas  
Michael  
Moore  
Smith  
Stephens

NATIONAL BUREAU OF ECONOMIC RESEARCH

Memorandum

To: NBEA Steering Committee  
From: John R. Meyer *JRM*  
Date: 12/10/73  
Subject: Wage Increase on January 1, 1974

I have just received (1:00 p.m., 12/10) your memo of December 5. The NBER decided about ten days ago to recommend to the Executive Committee that a 4.1 per cent increase be paid as of January 1, 1974 to those who are eligible under the present contract. We feel that due to the inflation and rising cost of living that this is the fair and reasonable course of action to take. However, this action requires Executive Committee approval and we hope to obtain it at this evening's meeting of the Executive Committee. I am sorry that word of our recommendation had not reached you before your General Assembly met last week.

bcc: D. Eldridge  
V. Fuchs  
D. Gilmore  
H. Lary  
R. Lipsey  
R. Michael  
G. Moore  
E.K. Smith

20 December 1973

Professor John R. Meyer  
President  
National Bureau of Economic Research  
261 Madison Avenue  
New York, New York 10016

Dear John:

I am sending you three copies of my paper, "A Nontatonnement Model with Production and Consumption," which represents my latest effort in the price adjustment line. It is, I think, the fifth in the series of papers I have done in connection with my Bureau project.

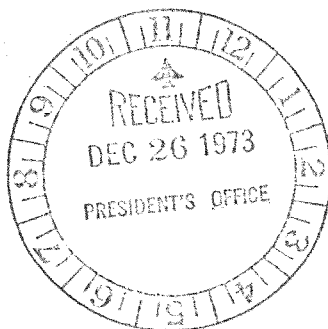
Every time I send you one of these, I remark that perhaps the Bureau ought to think about ultimate publication together, if it wishes, and I always add an appropriate footnote when submitting it for publication. We never actually spoke about that and perhaps we should. However, it is my current impression, that the series is not complete.

As ever,



Franklin M. Fisher  
Professor of Economics

FMF:msh  
Enc.



M E M O R A N D U M

TO: JOHN R. MEYER, ROBERT E. LIPSEY  
FROM: DOUGLAS H. ELDRIDGE  
DATE: JANUARY 29, 1974

Attached are Peter Clark's reactions to Frank Fisher's latest paper and Frank's accompanying letter.

Despite repeated attempts, I have not been able to evoke comments on Fisher's earlier paper on the Hahn Process, which went in September 1972 to Nadiri, Rosen and Sargent. At that time they all agreed to read it. Rosen did pick up another copy of the paper when he was in the office last week and said that he would have another try at it.

MEMORANDUM:

To: Douglas H. Eldridge  
From: Peter K. Clark  
Date: January 29, 1974

The following are my comments after a brief perusal of F. M. Fisher's paper, "A Non-Tatonnement Model with Production and Consumption." As you will quickly ascertain, these comments have a gross ideological bias, and reflect only on Fisher's choice of research topic, rather than his intellectual ability.

Economics is good when it attempts to explain how the world works. Theories with empirically testable hypotheses and tests of such hypotheses fall into this category. Fisher's article does not. Since Fisher can surely find journals to publish his articles, the Bureau doesn't need to republish them. The Journal of Economic Theory does sufficient violence to our nation's forests. The NBER need not be guilty of contributory negligence. Furthermore, the sands of the Sahara may be seriously depleted in an effort to create eye glasses for myopic editors and typesetters that will have to agonize over Fisher's manuscripts.

Tell Fisher to ditto ten copies and send them to all the economists who could conceivably be interested in this paper.

John Meyer  
FYJ

NATIONAL BUREAU OF ECONOMIC RESEARCH

Memorandum

FEB 6 1974

To: Douglas Eldridge  
From: Robert Lipsey *rlh*  
Date: February 2, 1974  
Subject: Fisher papers

Since I don't know the arrangement under which Fisher is doing these papers I do not know whether we have any obligation to consider publishing them. If he is doing this under some agreement that it is an appropriate topic for Bureau Research, I suppose we should think of publishing a final version. But if we have no such obligation I would say that journal publication is the appropriate outlet for this type of work, and that we should leave it at that. The papers are very abstract and seem to have no connection with any empirical work by Fisher or by others.

cc=ERSmith

I concur  
JRM

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Confidential

RECEIVED

JUL 18 1973

PRESIDENT'S OFFICE

Memorandum

To: ~~NBER Employees~~  
From: Bob Michael and Bob Lipsey  
Date: July 17, 1973  
Subject:

We are pleased to inform you that Mr. Frank Patterson, formerly of Columbia University, has joined our staff beginning this week as our Business Manager for the New York Research group, replacing Jay Blaire. Frank will be sitting in Jay's old office, Room 1020, extension 819.

*It would have been much better if this announcement had also originated with EKS and/or myself as a member of that group. I do not want under any circumstances a recreation of BO's characterized Jay EKS, acting etc.*

B. Lipsey

Memorandum

To: All officers and supervisors  
From: J.R. Meyer  
Date: July 1, 1973  
Subject: Organizational and Administrative Changes

Effective July 1, 1973, a number of administrative and organizational changes will be made within NBER. The reasons for these changes follow:

1. To facilitate the decentralization of the Bureau currently being undertaken as a result of continued growth, including increased research activities in the Cambridge area and the planned opening of the new office on the West Coast.

2. My move to Cambridge and to Harvard and my co-directorship of the Computer Research Center. Ed Kuh will be in Europe for four months or more during the year, and this will put additional burdens on me.

3. To relieve E.K. Smith of many of the pressures of administrative and financial matters, giving him more time to oversee and conduct his own research studies in tax structure and regional and urban problems. He will also retain the function of supervising the Industrial Organization Research, operating out of the New Haven Office.

Administration, Computer Operations Activity and Space accounts and the completion of the West Coast office will continue under his direction.

The major aspect of the reorganization will be the realignment of the administrative and financial activities, many of which were originally under the direct supervision of Ed Smith, into two separate functions - Corporate Services headed by Don Gilmore, and Financial Management headed by Warren Lackstrom. Both men will act in the capacity of Assistant Vice Presidents



and will report directly to Ed Smith.

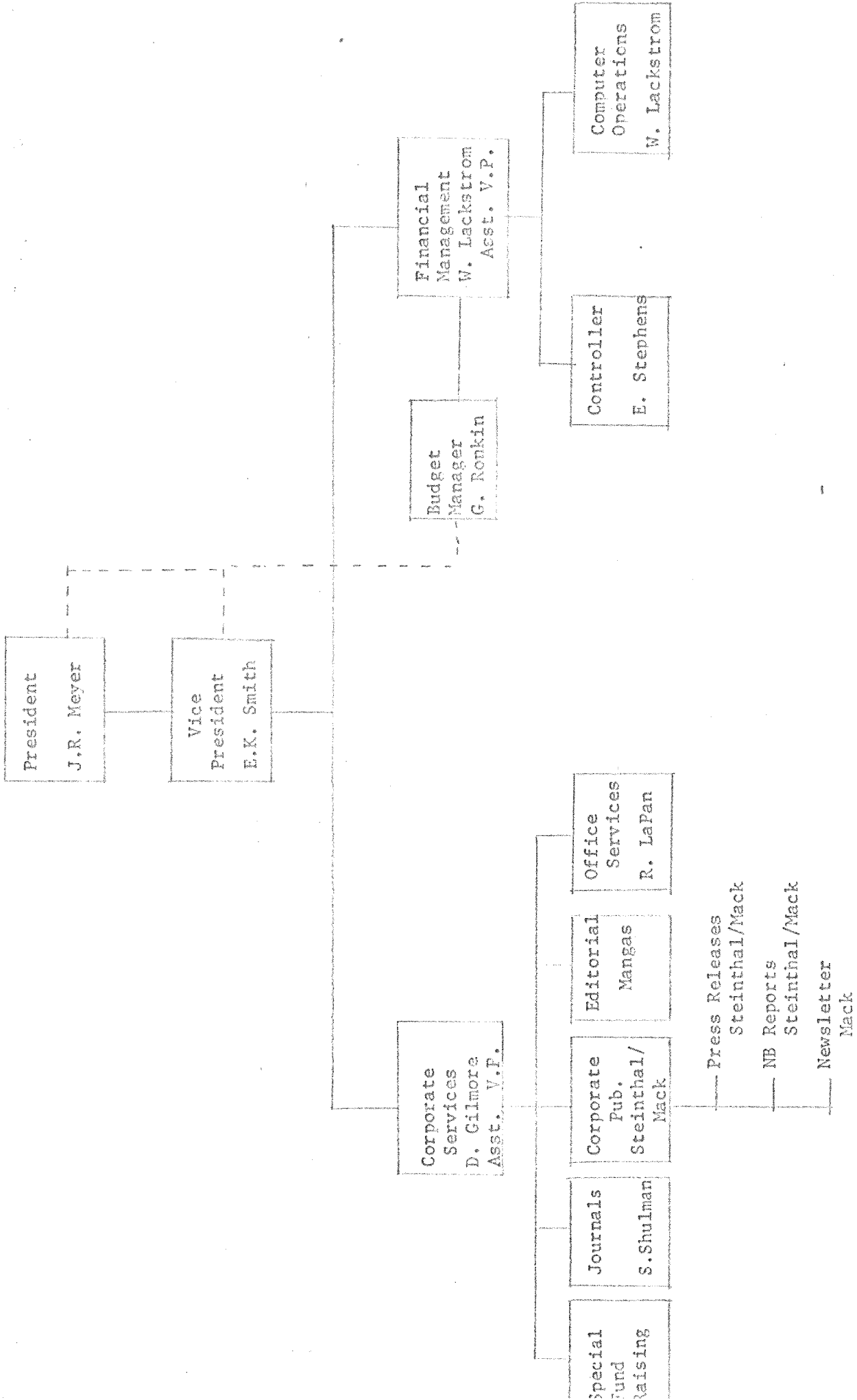
Financial Management, a new function, will be headed by Warren Lackstrom. Warren will supervise the office of the Controller, Evan Stephens, and will be responsible for all phases of budgeting and accounting. Gerry Ronkin will move from New Haven to Cambridge (about September) to take on the duties of Budget Manager, in which capacity he will report to Warren as well as to John Meyer and Ed Smith. Gerry will also assist Warren in setting up the Computer Operations Activity. Vice-Presidents, Business Managers and Administrative Assistants should consider Warren and Gerry their primary contacts in all matters pertaining to budgeting and accounting.

Corporate Services under Don Gilmore will include the activities or administrative aspects of Special Fund Raising, Journals, Corporate Publications and Publicity, Editing and Publishing and Office Services. Sydney Shulman will act as Administrative Coordinator for the Journals and will coordinate all correspondence for me in New York. Wilbur Mangas and Ruth LaPan will continue, of course their present capacities of heading up Editorial and Office Services respectively. Nancy Steinthal and Robert Mack will be responsible for Corporate Publications and Publicity, including press releases, NB Reports, and the Newsletter.

Sherman Maisel and Victor Fuchs will be co-directors of NBER-West. Sherm is already on part-time duty in that capacity, and Victor will take up his duties in this new office next year. Bob Michael will be at Stanford about January, and Victor and Bob will direct the activities of the "Center for Economic Analysis of Human Behavior and Social Institutions."

A revised chart of accounts will reflect these changes and the attached chart shows the administrative reorganization.

As is true in all organizations, changes will continue to be made to increase the efficiency of the Bureau. Your cooperation in making the present changes effective is most appreciated, and suggestions for future changes are welcomed.



John Meyer  
Robert Lipsey  
June 23, 1973

Combining accounts 42050 and 42052

The issue of the computer accounts is not a new one. We discussed it last summer and in several memos exchanged between us (such as mine of 8/11/72) and between Ed Smith and me (such as his of 8/16/72). The crux of the matter is the understanding Victor and I had that we were to have a service operation here under our supervision, and it was to preserve that understanding that we set up the New York computer/programming personnel account after my discussion with Ed. Since this account serves only New York research it does not make sense to have it report to Warren, and if it is absorbed into 42052 there is no way I can supervise it. After we trimmed down the unit at your urging to the truly service element by assigning some of the people to individual studies, we thought of abolishing it altogether by allocating the rest of the people. We decided against that for two reasons. One was the burden on accounting that would be involved in constant shifting of personnel in a research account that would be the necessary substitute for charge-outs from a service account. The other was that this account is the vehicle for carrying out the understanding implied in Ed's memo of 8/16/72 on our right to have our own data processing unit if we supported it.

The only drawback I can see to this arrangement is that Warren has to add two numbers to calculate the total expenditure on data processing. That seems to me a small cost for the advantages of having a separate service unit with clear lines of control by the customers of the unit.

John Meyer

Robert Lipsey

June 23, 1973

Combining accounts 42050 and 42052

The issue of the computer accounts is not a new one. We discussed it last summer and in several memos exchanged between us (such as mine of 8/11/72) and between Ed Smith and me (such as his of 8/16/72). The crux of the matter is the understanding Victor and I had that we were to have a service operation here under our supervision, and it was to preserve that understanding that we set up the New York computer/programming personnel account after my discussion with Ed. Since this account serves only New York research it does not make sense to have it report to Warren, and if it is absorbed into 42052 there is no way I can supervise it. After we trimmed down the unit at your urging to the truly service element by assigning some of the people to individual studies, we thought of abolishing it altogether by allocating the rest of the people. We decided against that for two reasons. One was the burden on accounting that would be involved in constant shifting of personnel in a research account that would be the necessary substitute for charge-outs from a service account. The other was that this account is the vehicle for carrying out the understanding implied in Ed's memo of 8/16/72 on our right to have our own data processing unit if we supported it.

The only drawback I can see to this arrangement is that Warren has to add two numbers to calculate the total expenditure on data processing. That seems to me a small cost for the advantages of having a separate service unit with clear lines of control by the customers of the unit.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.  
COMPUTER RESEARCH CENTER FOR ECONOMICS AND MANAGEMENT SCIENCE

Memorandum

**To:** Robert Lipsey  
**From:** J. R. Meyer *JRM*  
**Date:** June 12, 1973  
**Subject:** Combining Accounts 42050 and 42052

I have discussed with Warren Lackstrom your June 7th memo to him concerning the combining of accounts 42050 and 42052. I am perplexed as to what the nature of the strong opposition to this change could be. Please inform me of the reasons behind the opposition. In the absence of strong reasons, I believe it reasonable to combine the two accounts for budgetary and financial reporting purposes. This is especially true since the budget of \$22,078. for 42050 covers only one and a half people and their related costs. It should be noted that the combining of these two accounts will not reduce your effective control over the individuals concerned and that you will still be able to assign them to research projects as you see fit.

dmr

John Meyer  
Victor Fuchs, Robert Lipsey, Robert Michael  
June 12, 1973  
Business manager for New York office

As you know, Jay Blaire has submitted his resignation. He wished to leave this month but has agreed, at our request, to stay until July 15. We now face the problem of deciding what kind of replacement to seek, and our judgment on that issue depends partly on the prospects for improvement in the Bureau's accounting system.

Jay's departure represents a considerable loss to the Bureau. During the nine months he has been at the New York office he has been extremely helpful in keeping tight financial control over our programs, in monitoring grants and expenditures, in negotiating with grantors, and in adjusting rates of expenditure to meet grant requirements. Since the announcement of his resignation a number of members of our staff and several outside our research groups have expressed their regret at his leaving and their appreciation for his cooperation and their respect for his competence.

Jay's decision to leave did not come as a surprise to us. For several months he has been expressing a feeling of frustration and of an inability to carry out the responsibilities for our programs that we had assigned to him. Fundamentally he felt that the deficiencies in the central accounting services made it impossible to do his job properly, and in addition he encountered what he interpreted as interference and a blurring of the lines of authority.

We share Jay's concerns about the accounting system. When we hired him it was with the understanding that he would receive accurate and up-to-date basic accounting data and that his function was to oversee financial aspects of our programs, using those data. In fact his time went largely into performing essentially accounting functions in order to assure us of reliable figures on which to base our decisions. Without that checking we do not feel we can properly sign financial statements or grant reports prepared by the accounting department because we have no confidence in the accuracy of the information sent us from that department. Without confidence in the financial information we receive, it is not possible to properly discharge our duties and responsibilities under the decentralization of the Bureau's program. Thus Jay's services have been essential to our operation this past year.

The first year of the Bureau's decentralization has, we feel, worked well on the research side, with lines of authority and responsibility well laid out with respect to questions about proposals, personnel and publications. We have encountered frustration, however, on the purely administrative side of the decentralization, and we hope that it can be made to run as smoothly as the

research aspects. This is probably a good moment to consider questions of administrative organization in view of the many changes not anticipated when the original decentralization plan was set up. These include the return of Geof Moore to New York and the impending move to the West Coast branch, which itself would call for a strengthening of the central accounting department. These and other changes raise a number of questions about lines of authority, the scope of the New York research group, and the responsibility of our business manager to others conducting research at the New York office. Because Jay is leaving soon we feel an urgent need for consultation to determine our next step. Should we attempt to replace Jay with someone of comparable ability and background or will the central accounting system be strengthened in such a way as to permit us to operate with a person of less experience and lower cost? We would prefer the latter option if the central accounting system could properly serve the needs of the research program.



Warren Lackstrom

Robert Lipsey

June 7, 1973

Combining accounts 42050 and 42052

I have canvassed views here on this question and find strong opposition for a variety of reasons. Since the advantages seem minor, I think we should forget it for this year and leave the budgets separate.

John Meyer

Robert Lipsey

April 12, 1973

General confusion over 41000

I have told Jay to return to his corner (that is, to stay away from accounting) until we have agreed on some sensible procedures for dealing with these problems.

On reflection, I think we really settled this issue at our meeting in New Haven, if we can now only agree how to carry out what we decided on. I think we agreed that Bob and I could, in essence, write checks on 41000, but that Ed, as the person in charge of 41000, had the right to disallow the charges after the fact and ask us to pay them from our unallocated funds if he and you felt they were not properly overhead costs. This gave him full protection of the account without the need to pass on each expenditure in advance but permitted us to act when we feel it is important.

I have not inquired into the merits of this calculator purchase, although I have turned down other requests of this type. Still, I think you will be putting Ed into an impossible position if you ask him to protect the other vice-presidents from \$100 mistakes, and you will be taking him away from what I thought was his real function of overall budget supervision. That is a recipe for constant friction. If we are each supervising over half a million dollars in research expenditures and you trust us not to make too many \$50,000 mistakes there, it doesn't make sense to worry about much smaller errors on the administrative side.

The ideal solution, I still believe, is simply to allocate part of 41000 for our use. We really are pretty cautious with our money. In the meantime, the compromise we worked out still seems workable to me if Evan and Jay are given a clear understanding about how it is supposed to work.

c: Bob Michael 4/13/73

John Meyer

Robert Lipsey

April 11, 1973

New York Economic Research Undesignated Budget

In reviewing the budget situation for FY 1973 for research projects in areas under my direction, I found, as I indicated in my memo of 2/24/73, that we are projecting a net surplus of approximately \$35,000. I would therefore like to set up an account in the amount of \$20,000 direct costs as a discretionary fund for research costs in my areas, corresponding to the one established for the Center. These funds will be used in part to meet necessary expenses for projects whose budgets are now defunct, such as the honoraria pending for Guttentag and Curley.

Enclosed is a proposed budget for the \$20,000 direct costs which I would like to assign account number 78000.

cc: E.K. Smith  
Jay Blaire

John Meyer  
Robert Lipsey  
March 16, 1973  
Computer time on 77058

I had already removed Diller from the Columbia computer and sent him to Yale, even though he is operating on restricted funds. This expenditure is a hangover from the pre-transfer period.

I think there may be a misunderstanding here. Diller is not spending unrestricted funds. He is drawing on money for computer expense that was set aside in the LIAA budget and not allocated to the individual sub-projects. Phil Cagan has permitted Diller to use some of this and a transfer to 77058 can be made if that is desirable from an accounting standpoint.

c: Boschan  
Blair  
Mortensen