

*Report of the
Executive Board to the Governors
of*

THE ECONOMIC
RESEARCH INSTITUTE

for 1960-61

THE ECONOMIC RESEARCH INSTITUTE

EXECUTIVE BOARD, 1960-61

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THE ECONOMIC RESEARCH INSTITUTE

Origins

As this is its first printed report the Board considers that it may be appropriate to begin by placing on record the main facts about the origins of the Institute. In April 1959 a message was received from Mr. F. H. Boland, Ireland's Permanent Representative to the United Nations, that the Ford Foundation, the great organisation founded in 1936 by Henry and Edsel Ford with an annual income of \$100 million applied mainly to education and research, seemed disposed to help in the economic development of Ireland. On the initiative of Mr. T. K. Whitaker, Secretary, Department of Finance, consultations followed with the Secretaries of the Departments of the Taoiseach, Agriculture, Education, External Affairs, Industry and Commerce and Lands at which it was agreed that assistance might be sought for the establishment of an Economic Research Centre or Institute. While the project had full official backing it was deemed desirable that the formal application to the Foundation should be made by a private learned society, to emphasise the complete independence and scientific impartiality of the proposed organisation. Arrangements were then made which led to the proposal being sponsored by the Council of the Statistical and Social Inquiry Society of Ireland. In a letter sent to the Ford Foundation on 20 August 1959 by the President of the Society, Mr. W. A. Honohan, it was stated, with the approval of the Taoiseach and the Minister for Finance, that while no firm commitment had as yet been made, the Government would be willing to provide either suitable accommodation and equipment for the Institute or the capital needed to acquire them.

On 7 October 1959, a meeting in the Ford Foundation headquarters in New York with Mr. Joseph M. McDaniel, Secretary, and other officers of the Foundation was arranged by the Consul-General, Mr. J. M. Conway. Mr. Frank Aiken T.D., Minister for External Affairs, Mr. Boland, Mr. Conway, Dr. J. J. McElligott (then Governor of the Central Bank and now President of the

Institute) and Mr. Whitaker were present. The Irish group elaborated the case for an Economic Research Institute and answered various queries raised.

A stage further was reached when, on 13 November 1959, the Government approved the undertakings already given provisionally to the Foundation about the provision of (i) suitable accommodation and equipment for the Institute or the necessary capital and (ii) financial assistance from public funds to supplement other income of the Institute when assistance from the Foundation would cease.

The Government's decision enabled arrangements to be made with the Commissioners of Public Works to secure suitable premises for the Institute. After various premises had been considered, the Commissioners acquired 73 Lower Baggot Street.

It was decided that the Institute should have the legal character of a limited liability company. Many individuals participated in the preparation of the Memorandum and Articles of Association. The provisional budget and programme of research were also prepared and sent to the Ford Foundation and members of the Board. Correspondence with the Revenue Commissioners enabled the sponsors to assure the Foundation that the Institute would be exempt from taxation. Also, at the express request of the Foundation, it was confirmed that "no part of the activities of the Institute would be political in nature". Two members of the Board met Mr. McDaniel, the Secretary of the Foundation, in New York in April 1960 under Mr. Conway's auspices. Mr. Shepard Stone, Director of International Affairs Program in the Ford Foundation, visited Ireland on a few occasions, meeting the Minister for External Affairs and some members of the Board, visits which, no doubt, contributed to the favourable outcome of the application.

The Ford Foundation at its meeting on 24 June 1960 approved a 5-year grant totalling \$280,000. The Institute was incorporated as a limited liability company under the Companies Acts, 1908 to 1959 on 24 June 1960, without the necessity to use the word "limited" in its title, and formal application for a grant of assistance was made by the interim Secretary of the Institute (Dr. McCarthy) on 2 July 1960.

On Friday 9 June 1961 the Taoiseach performed the Opening Ceremony in the presence of a distinguished company, including the Secretary of the Ford Foundation, Mr. J. M. McDaniel, the

Ambassador of the United States of America, Mr. Grant Stockdale, the Ministers of Finance, External Affairs, Industry and Commerce and Education, the Leader of the Opposition, Mr. J. M. Dillon, the Lord Mayor of Dublin, Mr. M. Dockrell, the Presidents of the University Colleges, Secretaries of Departments and other leading personalities. In the course of his speech the Taoiseach said :

“ This Economic Research Institute has been founded to meet the growing need for more advanced economic research in Ireland; to enlarge our knowledge of the social and economic conditions of our society, and, by that means, to increase our capacity to improve them. Because precise and reliable information regarding the circumstances affecting how our people work and live helps in the formulation of sound national policy, and the effective administration of the country's affairs, the Government welcomed the initiative of the Statistical and Social Inquiry Society of Ireland in having this Institute set up, and we readily agreed to assist its establishment by providing accommodation and equipment and by accepting a commitment to supplement its income in due course. I am confident that the work which will be done under the aegis of the Institute, here and elsewhere, will make a material contribution to the country's economic and social progress.”

The Governors of the Institute will wish the Board to place on record its sense of gratitude to the Ford Foundation for its enlightened generosity to the Government for providing fine, well-equipped premises and its general support, to several Government Departments and to the Statistical and Social Inquiry Society of Ireland. The Institute is also indebted to many individuals for their unstinted help; amongst these it may not be invidious to mention Mr. Whitaker and Dr. McCarthy who have given and who continue to give much of their time and talent in furthering the interests of the Institute.

Administration

The names of the members of the Executive Board who also, as “ subscribers ” signed the Memorandum and Articles of Association, accompany this report ; they were also the first Governors of the Institute.

At its first meeting on 15 July 1960 the Board, under paragraph 55 of the Articles of Association, appointed an Executive Committee of seven of its members to which it delegated all its powers. The members of the Executive Committee are Senator G. O'Brien, Chairman, Dr. Beddy, Mr. Honohan, Dr. McElligott, Dr. McCarthy, Mr. Whitaker and Dr. Geary, Director. The Committee meets once each month and the Board once each quarter. Full participation of the whole Board in the control of the Institute is ensured by circulation of the minutes of the Committee to all members.

Staff and Accommodation

Dr. R. C. Geary, Director, and Mrs. M. Dempsey, Secretary, entered on their duties on 23 July and 1 December 1960 respectively. The skeleton staff was hospitably accommodated in the premises of the Institute of Public Administration during the period 21 November 1960 to 7 March 1961. On 8 March the staff entered its own premises. The Lecture Theatre, designed mainly for lectures and seminars by distinguished visiting professors and staff members, now being built in the commodious grounds of the Institute, is likely to be completed by the end of December 1961.

Following applications pursuant to advertisements in the public press the following were appointed as research officers :

Dr. C. E. V. Leser, Senior Research Officer, graduated from the University of Zurich, Switzerland. He also attended the University of Heidelberg, Germany, and the London School of Economics. He held the position of Senior Lecturer in Economic Statistics at the Australian National University, Canberra City. Dr. Leser's published works cover a wide range—"Demand Functions for Nine Commodity Groups in Australia", "Variations in Unemployment Rates", "The Pattern of Australian Demand" and many others.

Dr. E. T. Nevin, Senior Research Officer, is a graduate of University College of Wales. He read for his Ph.D. degree at Corpus Christi College, Cambridge. He has been Lecturer in Economics and Director of Economic and Social Research, University College of Wales, Aberystwyth. Dr. Nevin is particularly interested in problems of public finance. His published works include "Financial Institutions and Economic Develop-

ment", "The Problem of the National Debt", "The Social Accounts of the Welsh Economy 1948-1956".

Mr. David Walker, Senior Research Officer, graduated from Peterhouse, Cambridge. He comes to the Institute from Makerere College, University College of East Africa, Uganda, where he was Professor of Economics. His published works cover a wide variety of subjects, amongst them "Criteria for Industrial Development in Uganda", "Depreciation Problems and Taxation", "Taxation and Economics".

Dr. A. Kuehn, Research Officer, a graduate of Freie Universitat, Berlin, has also studied at the State University of Washington, U.S.A. Before coming to the Institute he was a senior economist at the Deutsches Institut für Wirtschaftsforschung E.V., Berlin. He has many publications to his credit, including "The Economy of Ireland", "Measuring Inflationary Impacts on the Economy", "Investment, Investment-Financing and Economic Growth in West-Berlin".

Dr. Nevin joined the Institute on 27 March, Dr. Kuehn on 1 April, Mr. Walker on 1 August and Dr. Leser on 1 September 1961.

Mr. J. McGilvray, Assistant Lecturer in Economics in Trinity College, Dublin, was appointed part-time Bursary-holder on 1 June 1961. Messrs. J. F. Guinan and J. J. Sexton were appointed to Scholarships on 2 November, 1961.

The Institute has a clerical staff of five.

Programme and Progress

Governors will have noted from pages 6-8 of the Brochure which has been circulated to them that the Executive Committee has approved a very ambitious programme which will be tackled as time, finances and availability of research talent permit. Dr. Kuehn is at present studying the development of methods for the preparation of short-term predictions for the Irish economy programme item (1)), Dr. Leser, demand relationships (programme item (5)), Dr. Nevin, the effects of tariff protection on the economy (programme item (8)), Mr. Walker, local government finance (programme item (9)). Dr. Geary and Mr. McGilvray are studying inter-industrial relationships based on Input-Output

Table for 1956, kindly made available to the Institute by the Central Statistics Office.

Publications

It has been decided that the publications of the Institute should take two forms, (1) a Publication Series and (2) a Reprint Series. The Publication Series will be published by the Institute itself and, as pertaining to matters of prime interest to Ireland, will be regarded as the more urgent and important. The Reprint Series will consist of technical papers by staff members published by reputable journals at home and abroad but reissued in a special cover by the Institute. Governors will be entitled to one free copy each of each issue in both series.

The first two issues of the Publication Series (in press) are as follows :

“ The Ownership of Personal Property in Ireland ”, by E. T. Nevin.

“ Short-term Economic Forecasting and its Application in Ireland ”, by Alfred Kuehn.

These papers should be published during November 1961. Papers in an advanced stage of development are :

“ Methods of Programming in Countries in Process of Development ”, by David Walker.

“ Linear Programming and Applications ”, by R. C. Geary.

“ Demand Relationships from Irish Budgetary Data ”, by C. E. V. Leser.

“ The Irish Tariff and the EEC. A Factual Survey ”, by E. T. Nevin.

Dr. Geary is editor for *Association Scientifique Européenne pour la Prévision Économique à Moyen et à Long Terme*, of a volume entitled “ Middle-term Forecasting in Europe ” in which contributions will appear from ten European scholars together with a chapter of comments by Dr. Geary himself. The manuscript has just been sent for press and will probably be published in March next. Dr. Geary's chapter will probably be issued separately by the Institute in its Reprint Series.

Co-operation with Other Bodies

Close working relations have been established at home with certain Government Departments (in particular with the Central Statistics Office and the Economic Development Branch of the Department of Finance), the Universities, An Foras Talúntais, Coras Tráchtála, the Institute of Public Administration and others. The Board (which because of its constitution ensures far-reaching contacts for members of the Institute) attaches special importance to such intimate co-operation, in particular because with so little research talent, in point of numbers available, there should be no duplication of effort and tasks should be devolved in a systematic way. Close and intimate contacts have been established with similar organisations abroad (involving in particular exchange of publications) whereby staff members will be kept abreast of latest results and developments of methodology. To this end also Dr. Geary attended the meeting of the International Association of Research in Income and Wealth in Tutzing (Germany) in August 1961 and the International Input-Output Conference in Geneva in September 1961; Dr. Nevin attended a conference organised by the International Association of Public Finance in Warsaw in September 1961 and Dr. Kuehn the conference on Conjuncture and Short-term Forecasting in Rome in October 1961. Professor J. R. N. Stone, Cambridge, spent a week of consultations in the Institute in April 1961. The Institute also will be involved in the proposed visit of the French Planning Team, organised by the Institute of Public Administration. In fact the session on Technical Problems will be held under Institute auspices.

Arrangements are being made for a conjoint meeting of the European members of the Institute of Mathematical Statistics, the Econometric Society and the Institute of Management Sciences to be held in Dublin in September 1962, the Institute acting as host.

Library

A library of works pertaining to the Institute's activities is being steadily assembled containing a full series of statistical and other Irish official publications relating to the post-war period, publications of international organisations, scientific journals and books. A Budgetary provision of £750 a year has been made. The

Board wishes to express its thanks to the Librarians of the National Library, Trinity College and of the Central Statistics Office for their cooperative attitudes.

Finance and Membership

The Auditors' Report for the year ended 30 June 1961, embodying the financial statements of the Institute, is appended. In future apart from the generous Ford Foundation grant of £20,000 a year Governors' subscriptions and interest on investments will constitute fairly important additional sources of income. The numbers of Governors are at present individual 146, corporate 68, total 214, and subscriptions amount to £2,700 a year, which it is hoped will be increased.

THE ECONOMIC RESEARCH INSTITUTE

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD FROM 24TH JUNE, 1960 TO 30TH JUNE, 1961

EXPENDITURE	£ s. d.		£ s. d.		INCOME	£ s. d.	
	£	s. d.	£	s. d.		£	s. d.
To Salaries	4,940	2 7			By Grant from Ford Foundation in respect of Expenses	19,902	5 4
„ Fees to Visiting Professors	176	6 6			„ Interest Receivable	652	17 3
„ Wages	601	8 6					
„ Superannuation	112	10 0					
„ Travelling Expenses	395	18 9					
„ Stationery	280	10 8					
„ Advertising	146	0 4					
„ Printing	24	10 0					
„ Heating and Lighting	97	4 2					
„ Telephone	20	0 0					
„ Postages	55	13 11					
„ Insurances	5	6 6					
„ Audit Fee	52	10 0					
„ Bank Charges	4	12 0					
„ Subscriptions	24	3 6					
„ General Expenses	71	15 6					
„ Accommodation Expenses in lieu of Rent	200	0 0					
„ Registration Expenses	92	5 9					
„ Opening Ceremony Ex- penses	99	19 5					
„ Office Requisites	119	8 3					
			7,520	6 4			
„ Depreciation on Furniture and Equipment			410	9 0			
„ Excess of Income over Expenditure carried to Balance Sheet			12,624	7 3			
			£20,555	2 7		£20,555	2 7

THE ECONOMIC RESEARCH INSTITUTE
 (COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
BALANCE SHEET 30TH JUNE, 1961

	£	s.	d.	£	s.	d.		£	s.	d.
<i>Current Liabilities</i>							<i>Fixed Assets</i>			
Members Subscriptions in advance	1,565	1	0				Furniture and Equipment at Cost	4,010	9	0
Sundry Creditors	274	1	1				Less: Depreciation	410	9	0
				1,839	2	1	Library Books at Cost			
<i>Capital</i>										
Grant Receivable from Government in respect of Furniture etc.	4,010	9	0							3,600 0 0
Excess of Income over Expenditure for period to date	12,624	7	3	16,634	16	3				336 17 0
							<i>Current Assets</i>			
							Government Security	11,850	0	0
							Sundry Debtors and Amounts Prepaid	763	13	4
							Cash in Bank	1,900	6	4
							Cash in Hand	23	1	8
										14,537 1 4
				£18,473	18	4				£18,473 18 4

Auditor's Report to the Shareholders

I have audited the Balance Sheet of the Economic Research Institute dated 30th June, 1961 as set forth above, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of my information and the explanations given to me, and as shown by the books of the Company.

25th July, 1961.
 DUBLIN.

(Signed) H. W. ROBINSON
 Chartered Accountant.