This year the annual report consists of the following parts:

I. The Section and Princeton University: Past, Present, and Future
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I. The Section and Princeton University
   Past, Present and Future

Since its founding in 1922, the cherished role of the Industrial Relations Section has been that of a pioneer of ideas in the realm of policy. During its entire history, the Section has emphasized policy-oriented research, policy-oriented conferences for leaders in management, labor and government, and policy-oriented instruction of students at both the undergraduate and graduate levels. Quite understandably, therefore, its major contributions have been in the field of research, "idea pieces" and pilot studies; in the area of national policy, informal as well as formal consultation with government agencies and congressional committees; in business and labor affairs, close relationships with policy-makers in companies and unions. The Section has tried to concentrate its energies on the study of problems which have strategic policy implications. It expects to continue this orientation in the future.

In its earlier years, under the direction of J. Douglas Brown, the Section was one of the outstanding pioneers in development of the rationale of the personnel and industrial relations function in the modern American corporation. Almost without exception, the leading company executives in this field prior to World War II were closely associated with the research and the conferences of the Section. The strategic contributions of the Section, and particularly of J. Douglas Brown and Richard A. Lester, to the building of the social security system in the United States are generally recognized. The Section pioneered the idea of conferences and seminars for mid-career business executives long before the first Advanced Management Programs were started by the Harvard and other graduate schools of business administration. It also inaugurated the first university seminar for staff experts in American labor unions. It developed the first specialized library reference service in industrial relations. And, naturally, it assumed a position of leadership in helping other universities establish labor and industrial relations institutions.

Today there are over twenty-five industrial relations institutes or centers in American and Canadian universities. Nearly fifty business schools conduct various kinds of management training programs for the mid-career business
executives. The American Management Association, as well as several other nationwide employer organizations, sponsor a wide variety of conferences and seminars on managerial problems, personnel administration, and union-management relations. The major unions are running their own programs for staff training. The volume of writing in the more traditional fields of industrial relations is enormous, and much of it is of high quality. Indeed, in the field of American labor and industrial relations, there are now some well-paved highways of knowledge. New ideas and opportunities for "break-throughs" into fresh fields of knowledge are more difficult to find. The Section, of course, could continue to engage in high-quality research and conference activity in this popular and now well-studied field, but, with the heavy commitments of other institutions in the field, its opportunities to pioneer have become more limited.

The interest of undergraduate students in labor and industrial relations is still high; indeed, enrollment in the undergraduate labor courses at Princeton and other universities has shown a constant increase in the last decade. At the same time the interest of graduate students has declined sharply. Newer fields in economics (such as econometrics, mathematical economics, economic theory and economic development) are drawing the attention of the better students, not just at Princeton but in other institutions as well. And because of the great expansion in teaching positions in the field of labor during the first five years after the war, there are now fewer new opportunities for specialists in industrial relations in the better colleges and universities.

The Section has been aware of the changes which have taken place in some of its traditional areas of operation, and it has been shifting its emphasis to new areas where new exploration is more urgently needed. Thus the Section is constantly looking for new areas to explore, and, since the pace of change in national and world affairs is rapid, it must be continually modifying its program and emphasis if it hopes to pioneer.

In brief, the current areas of emphasis in research are the following:

1. The strategies of human resource development (including manpower and education policy) in newly developing countries. During the course of any one year, the Section is usually involved in some
activity of this kind in 10 to 15 countries in Latin America, Africa, the Middle East, and Asia.

2. Economics of education and manpower problems in the United States, with particular emphasis on the critical issues in development of a national manpower and education policy.

3. High-level manpower development in the United States, with particular emphasis on factors determining occupational choice of professional and scientific personnel as well as managerial manpower needed to fill the "critical gaps" in industry, government, and educational institutions.

4. Under-utilization of human resources, with particular reference to the relationships between labor force participation and rates of unemployment, and with the utilization of Negroes, women, and youth in the labor force.

All of these areas fall within the general heading of "human resource development." Most involve study in other countries, and as such are closely related to Princeton's programs in world affairs. Most are related directly or indirectly to problems of economic development and modernization in contemporary societies. All appear to have some bearing on "investment in man."

There are some traditional fields of research in industrial relations, however, where important questions remain for study. Among these are the economics of wages and salaries, government policy in emergency disputes, and certain aspects of union organization and development. In these fields, the Section hopes to undertake what it feels will be significant research.

On the instructional side, members of the Section's staff are becoming more concerned with problems of economic growth (an undergraduate course in this field was introduced four years ago) with national manpower development policy, with the economics of education, with the causes and cures of unemployment, and thus with the broader aspects of the economics of labor. The graduate courses in the labor field now reflect these changes in emphasis. And, at the same time, they are more closely geared to needs of students in the graduate program of public affairs in the Woodrow Wilson School.
In the conference field, the Section adopted this year an entirely new program for corporation executives and government officials. The emphasis is on examination of issues of national economic and social policy. The first conference held in April, 1964, was centered about the theme of identification and development of high-talent manpower to fill the critical gaps in modern business, educational and government organizations. The topic for next April will be critical issues in attacking the problems of unemployment and under-utilization of the nation's human resources. The Section also sponsors from time to time small working task force meetings on specific aspects of national manpower policy, and its members are continually participating in activities in this field in Washington as well as other parts of the nation.

Finally, the Section has followed a policy of collaboration, where appropriate, with other universities and research organizations. Much of the Section's work in foreign countries is undertaken as part of the broader program of the Inter-University Study of Labor Problems in Economic Development (a joint enterprise of Harvard, M.I.T., the University of California, and Princeton). Its studies of unemployment are integrated with another inter-university effort based at the Institute of Industrial Relations at the Berkeley campus of the University of California. Future work on issues in national manpower policy development will probably be undertaken in collaboration with persons in other universities.

Fortunately, the Section has close relationships with corporations and unions in this country and abroad. The Section's associates have intimate working relationships with several governments, and consulting arrangements with most of the international agencies concerned with human resource development problems. Thanks to the endowment raised by the previous director, the Section has adequate "nucleus funds" for its operation. And because of the respect it commands among foundations and other sources of financial support, it appears to be able to raise adequate funds for the activities in which its associates wish to be engaged. In the future as in the past, therefore, the Section can continue to be a small organization of faculty members who want to devote their energies to policy-oriented activities on the new frontiers of the field.
II. **Major Activities in 1963-64**

No attempt is made here to list or summarize all of the activities of the Section during the year. The activities mentioned below are those which are clearly related to the Section's main objectives and which consumed major blocks of time by persons associated with the Section.

A. **Research on Unemployment**

William G. Bowen and T. A. Finegan collaborated on a statistical analysis of the relationship between participation in the labor force and unemployment. The first objective of this research was to estimate the effects of differences in local labor market conditions on the labor force participation rates of various sub-sets of the population--teenage males, teenage females, "prime-age" males, married women, and older males being the five main groups studied. "Labor market conditions" are approximated initially by the overall unemployment rate, and so it is the relation between the unemployment rate and the various labor force participation rates that served as the main empirical focus.

The second objective was to see if this relation has changed over time; if, for instance, a 1% difference in unemployment rates between local labor markets had a greater effect on labor force participation rates in 1960 than in 1950 or 1940.

The third objective was to learn more about the effects on labor force participation of factors other than unemployment--factors such as educational attainment, earnings opportunities, other (non-labor) income, and color. A mimeographed paper setting forth findings was completed during the year. A broader analysis involving a much more extensive study of the economics of labor force participation is planned for the current year. As a result of this activity, several graduate students have become interested in writing dissertations in this and related areas.

B. **Research and Consultation on Education and Economic Growth**

Mr. Charles N. Myers, who came to the Section after receiving his degree in the Woodrow Wilson School in 1963, was engaged in an analysis of education, training, and economic growth in Mexico. He has traced historically
the role of education in Mexico's national development, and has treated separately the progress made in the rural-agricultural sectors and the more industrialized areas of the country. The study will be completed in October of this year and will be published in book form by the Section early in 1965. This research is a project of the Inter-University Study of Labor Problems in Economic Development.

Frederick Harbison continued his interests in education and manpower planning in underdeveloped countries, and completed several papers in this area. A basic book with Charles A. Myers, of M.I.T., Education, Manpower and Economic Growth was published early in 1964, and the editing of a second volume of country studies of education and economic growth was completed during the year.

Harbison worked actively during the year with UNESCO, the Pan American Union, the International Institute of Education Planning, the Aswan Regional Planning Project (in the UAR), and with the Government of Nigeria on manpower and education planning problems. He also was closely associated with education planning projects of Education and World Affairs.

C. Work on Development of National Manpower Policy

Richard A. Lester and Frederick Harbison devoted a considerable amount of time during the year to activities of the U.S. Department of Labor and other U.S. government agencies related to manpower development. Lester is Chairman of the Sub-committee on Research of the National Manpower Advisory Committee. Harbison has been a consultant to the Secretary of Labor and also participated as a member of the National Academy of Sciences Commission on Utilization of Scientific and Engineering Manpower. They have been closely associated with the development of the newly created President's Committee on Manpower, and have been active in the organization of an independent advisory organization to this Committee known as The National Manpower Policy Planning Task Force. Since several members of the Section are now or in the future will be engaged in research in the manpower policy field, such involvement in Washington is quite appropriate at this time. Lester will be undertaking this year a wide-ranging comparative study of manpower policies of the U.S. and Western European countries.
D. **Conference on High-Talent Manpower**

In April the Section held a two-day policy conference for senior industry and government personnel on "The Identification and Development of High-Talent Manpower." This was a joint activity of the Section and the Princeton University Conference, and organized by John J. Corson and Frederick Harbison. It was the first in a new annual series of conferences on issues of national policy in the manpower-education and related fields. The next conference will center around policy issues related to unemployment. This conference program has already proven to be an effective means of bringing together business leaders, government officials, and members of the academic community for critical examination of important public policy issues. As indicated earlier in the report, this program has replaced the annual conferences on industrial relations which were held prior to 1962.

E. **Activities with Students**

As in previous years, the work-load of the Section in assisting students increased. The Section's library provided the essential services for student papers in Economics 303 (Labor Problems) and Economics 305 (Economic Growth and Social Change). In these two courses, 185 students wrote papers, and all the relevant materials were collected and organized by the Section's librarians. In addition, it provided extensive assistance to over 20 seniors writing theses, and about 15 graduate students doing research at an advanced level. This year the Section will take on the servicing of a new graduate research seminar in Woodrow Wilson on Manpower and Education in the American Economy. A more detailed report of the library's activities appears in Part III.

As in previous years, the Section has offered employment in the summer to qualified graduate students interested in research in industrial relations, manpower, education, economic development, and related areas. In some cases it found opportunities for students to work in Washington and in foreign countries. This practice of providing or arranging for research opportunities for graduate students is a major continuing activity of the Section.

F. **Completion of Research Project on Minority Group Employment**

This project, undertaken by Dr. Paul H. Norgren and Dr. Samuel E. Hill for the Section, was completed during the year. The final product was a volume
entitled *Toward Fair Employment* which was published by the Columbia University Press early in 1964. It is principally concerned with appraising the impact of government fair employment agencies at the federal, state, and local levels. It also includes an account of major trends affecting the demand for minority manpower in the nation and considers the roles of managements and unions in this process. This project was financed by a grant to the Section by the Taconic Foundation of New York.

III. Publications by Associates of the Section

There are listed below only publications written by associates of the Section which are directly related to the areas of interest of the Section. The list does not reflect, therefore, the complete publication list of any individual. Book reviews have been omitted.

A. Books


B. Articles and Chapters in Books


Frederick harbison, "education for development," _scientific american_, september 1963.


— _hours of work_, hearings before the select subcommittee on labor, committee on education and labor, 88th congress, 1st session, november 1963.

— "the structure and organization of the labor market," _proceedings of a symposium on employment_, american bankers association, 1964.

iv. annual report of the industrial relations section librarian

a. accessions, cataloging, circulation, and reference work

briefly, accessions totaled 4285, catalog entries 8700, number of loans made were 498, and 63 reference inquiries were received in addition to the usual reference work with staff members and both graduate and undergraduate students.

b. acquisition of company materials

included in the accession figure given above are 2054 company publications. most of these were received as a result of letters sent to cooperating companies during the past year. letters and accompanying checklists were mailed to 122 companies, and 106 replies were received.

C. professional activities

the librarian attended the annual meeting of the committee of university industrial relations librarians which was held in the new headquarters of the institute of labor and industrial relations at the university of illinois on june 5 and 6. at this meeting she conducted a discussion of proposed revisions
and additions to the Standard List of Subject Headings in Industrial Relations. As a result of this discussion, it is planned to publish revised pages early this fall.

She also continues to serve as a member of the Scholarship Committee of Local 560, International Brotherhood of Teamsters.

D. Publications of the Library

The following Selected References were published during the year:


V. Personnel

During 1963-64, Professor Herman M. Somers, Professor of Politics and Public Affairs, became a faculty associate of the Section. In June 1964, T. A. Finegan, Assistant Professor of Economics and Research Associate in the Section, left to take a position at Vanderbilt University.

During the year the personnel of the Section consisted of the following:

Academic Associates

William G. Bowen, Associate Professor of Economics, and Faculty Associate in the Section

J. Douglas Brown, Professor of Economics, and Faculty Associate in the Section

John J. Corson, Professor of Public and International Affairs, and Faculty Associate in the Section

Frederick Harbison, Professor of Economics, and Director of the Section

Richard A. Lester, Professor of Economics, and Faculty Associate in the Section
Academic Associates (continued)

Wilbert E. Moore, Professor of Sociology, and Faculty Associate in the Section

Thomas A. Finegan, Assistant Professor of Economics, and Research Associate in the Section

Samuel E. Hill, Research Associate in the Section

Paul H. Norgren, Research Associate in the Section

Herman M. Somers, Professor of Politics and Public Affairs, and Faculty Associate in the Section

Administrative Officers

Frederick Harbison, Director
Hazel C. Benjamin, Librarian
Nellie Offutt, Administrative Assistant
Doris V. McBride, Secretary

Research and Special Assistants

Virginia Gebhardt
Stanley W. Huff
Eugene L. Loren
Charles N. Myers
Thomas I. Ribich
Adeline T. Vermilya

Secretarial and Clerical Staff

Elizabeth Buttykay
Alberta Martin
Anne Seitz
Maria von Eichhausen