
Appendix B

**REPORT TO THE PRESIDENT ON THE
ACTIVITIES OF THE COUNCIL
OF ECONOMIC ADVISERS
DURING 1957**

Letter of Transmittal

DECEMBER 23, 1957.

The PRESIDENT.

SIR: The Council of Economic Advisers submits this Annual Report for calendar year 1957 in accordance with the requirements of Congress, as set forth in Section 4 (d) of the Employment Act of 1946.

Respectfully,

RAYMOND J. SAULNIER, *Chairman*.

JOSEPH S. DAVIS.

PAUL W. McCracken.

Report to the President on the Activities of the Council of Economic Advisers During 1957

The past year has been marked by important economic developments, in both the United States and the rest of the world. The rise in the consumer price index, which had begun early in 1956, was perhaps the center of interest. But with inflationary pressures substantially reduced by the middle of the year, attention shifted to the completion of adjustments within the economy on the basis of which growth with reasonably stable prices might be extended into the future. The progress of these developments and their implications for Government policy have been under continuous review by the Council.

Council Activities

The principal responsibility of the Council of Economic Advisers is to review and analyze developments in the United States economy and elsewhere in the world, and to evaluate their policy implications. Reports on these matters are made frequently to the President by the Chairman of the Council. The Chairman performs a similar function for the Cabinet.

A second responsibility of the Council is to review legislative proposals, and suggestions for administrative actions, for their possible effect on the stability of our economy and its capacity for balanced and sustainable growth. During the year, a large number of such proposals were reviewed by the Council.

Numerous other activities of the Council grow out of its membership in continuing or *ad hoc* committees. Among these are the Council on Foreign Economic Policy; the Defense Mobilization Board and the Emergency Resources Board; the Cabinet Committee on Small Business, of which the Chairman of the Council serves as Chairman; the *ad hoc* committee established in September 1957 by the Secretary of the Treasury for consideration of credit and related policies; and the Committee for Rural Development Program. Members of the staff have represented the Council on several technical interagency committees, including groups concerned with productivity measurements, health surveys, population and housing censuses, rural development, and employment statistics.

The Council cooperates with the Organization for European Economic Cooperation (OEEC) in its economic surveys and with the International Cooperation Administration (ICA) in its training programs for foreign specialists. During the year, the Council prepared a *Survey of Economic*

Developments in the United States for the annual review of the OEEC, and materials for response to the United Nations' annual questionnaire. A Council Member, assisted by a member of the staff, participated in the annual review of economic conditions conducted by the OEEC in Paris in September 1957. The Chairman attended a meeting of OEEC economic experts in October. Throughout the year, two staff members met frequently with ICA study teams.

The Council conferred frequently during the year with groups outside the Government. These groups included experts from universities and representatives of labor, agricultural, business, and financial organizations.

The Council assists the President each year in the preparation of the Economic Report which he transmits to the Congress. The Report reviews economic developments, assesses the outlook, and makes recommendations to the Congress and suggestions to States, communities, and private groups for actions and policies designed to achieve the goals set forth in the Employment Act. The Report is widely used as an authoritative review of developments in the United States economy; 35,000 copies of the January 1957 Report were published.

The Council also prepares *Economic Indicators*, a monthly compendium of current economic statistics, published by the Joint Economic Committee of the Congress. Copies of *Economic Indicators* are distributed to members of the Congress and to depository libraries; in addition, 6,500 copies are sent monthly to paying subscribers.

Council Membership

The Council has three members, appointed by the President and confirmed by the Senate. Raymond J. Saulnier has served as a member of the Council since April 4, 1955 and as Chairman since December 3, 1956. Joseph S. Davis has served as a member since May 2, 1955, and Paul W. McCracken since December 3, 1956.

Council Staff

The Council is assisted by a staff of 27 persons of whom 12 are senior economists selected for their skill and judgment in the objective analysis of economic problems. Each senior staff member is assigned an area for special attention and is responsible for eliciting the cooperation of Government agencies and business, labor, and other private groups in analyzing and evaluating economic developments. Most senior staff members are permanent employees of the Council; some are on leave of absence from university posts; others serve the Council on a consulting basis. Present members of the senior staff, including consultants, are Henry W. Briefs, Samuel L. Brown, Robert C. Colwell, Frances M. James, Marshall A. Kaplan, Hal B. Lary, David W. Lusher, Charles L. Schultze, Irving H. Siegel, Collis Stocking, Boris C. Swerling, and Philip E. Taylor.

Advisory Board on Economic Growth and Stability

Continuous assistance is received by the Council from the Advisory Board on Economic Growth and Stability, established by the President in 1953. The Board consists of policy-making officials of departments and agencies that have responsibility for important economic programs. The Chairman of the Council serves as Chairman of the Advisory Board. The present members of the Board are as follows:

Department of State—Thomas C. Mann, Assistant Secretary for Economic Affairs

Department of the Treasury—Julian B. Baird, Under Secretary

Department of Agriculture—True D. Morse, Under Secretary

Department of Commerce—Walter Williams, Under Secretary

Department of Labor—James T. O'Connell, Under Secretary

Department of Health, Education, and Welfare—John A. Perkins, Under Secretary

Board of Governors of the Federal Reserve System—Abbot L. Mills, Member of the Board

Bureau of the Budget—Percival F. Brundage, Director

The White House Office—Gabriel Hauge, Special Assistant to the President

Council of Economic Advisers—Raymond J. Saulnier, Chairman

Budget for Fiscal Years 1957 and 1958

For the fiscal year 1958, the Congress appropriated \$375,000 for the Council's activities. Contributions to the Government Retirement Fund, not previously required of Federal agencies, accounted for the increase from the \$365,700 appropriated for the fiscal year 1957.

