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**Appendix A**

**REPORT TO THE PRESIDENT ON THE  
ACTIVITIES OF THE COUNCIL  
OF ECONOMIC ADVISERS  
DURING 1959**

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## Letter of Transmittal

DECEMBER 31, 1959.

The PRESIDENT.

SIR: The Council of Economic Advisers submits this Annual Report for calendar year 1959 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.*

KARL BRANDT.

HENRY C. WALLICH.



## Report to the President on the Activities of the Council of Economic Advisers During 1959

In pursuance of the duties set forth in the Employment Act of 1946, the Council continued in 1959 to follow developments in the economy, to analyze their significance for outlook and policy, and to keep under study major policy questions having a bearing on the objectives of the Employment Act. The Council consisted of Raymond J. Saulnier, Chairman, Karl Brandt, and Henry C. Wallich.

Through its Chairman, the Council reported frequently to the President and to the Cabinet on current economic developments and on the economic effects of Government policies and programs. As circumstances warranted, it submitted recommendations for legislative enactments and for administrative actions under existing programs, which, in its judgment, would help to further vigorous, sustainable, inflation-free economic growth. The Council made numerous analytical reviews of legislative proposals emanating from the Congress.

The Council continued to draw heavily on the resources of the operating departments and agencies of the Federal Government and to avail itself fully of the information and counsel of individuals and private groups. As in previous years, it was aided by the Advisory Board on Economic Growth and Stability, which is particularly helpful in maintaining close and constructive working relationships with various departments and agencies of the Government. Member agencies of the Board are presently represented by the following officials:

- 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—Philip A. Ray, Under Secretary
- Department of Labor—James T. O'Connell, Under Secretary
- Department of Health, Education, and Welfare—Bertha Adkins, Under Secretary
- Board of Governors of the Federal Reserve System—Abbot L. Mills, Member of the Board
- Bureau of the Budget—Elmer Staats, Deputy Director
- Export-Import Bank of Washington—Samuel C. Waugh, President
- The White House Office—Don Paarlberg, Special Assistant to the President
- Council of Economic Advisers—Raymond J. Saulnier, Chairman

### *Committees and Task Forces*

The Council participated during the year in the work of a number of important committee groups and task forces within Government. The Chairman of the Council serves as a member of the Cabinet Committee on Price Stability for Economic Growth, chaired by the Vice President of the United States. He also serves as a member of an informal group which discusses problems of financial policy with the President; the other members are the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Special Assistant to the President with responsibilities in the economic area.

The Chairman of the Council attends all Cabinet meetings, special meetings on legislative matters, and those meetings of the National Security Council at which economic matters are discussed. Members of the Council and its staff participate in the work of the Planning Board of the National Security Council.

The Chairman of the Council serves as Chairman of the Cabinet Committee on Small Business and of the Committee on Government Activities Affecting Prices and Costs. He is a member of the Board of the Federal National Mortgage Association, represents the Council on the Civil and Defense Mobilization Board and on the President's Special Committee on Financial Policies for Postattack Operations, and participates in semi-annual meetings of the Business Advisory Council of the Department of Commerce. Meetings of the technical consultants to the Business Advisory Council are attended by a member of the staff of the Council of Economic Advisers.

Dr. Brandt served as a member of the interdepartmental Committee for Rural Development Program and as a member of the interagency work group on research and analysis of the Federal Council on Aging. He also attended regularly the sessions of the Council on Foreign Economic Policy and of the National Agricultural Advisory Commission.

Dr. Wallich participated in the work of the National Advisory Council and served as a member of the interdepartmental Committee To Coordinate Federal Urban Area Assistance Programs, under the Chairmanship of the Under Secretary of Commerce.

The Council met during the year with representatives of industrial and commercial concerns and financial houses, with professional economists from universities, with representatives of agriculture, industry, and labor, and with groups considering business conditions, the economic outlook, and policies relating to economic growth and stability. Throughout the year, Council staff members were in touch with experts of other Government departments and agencies and outside groups, as the need arose.

Participation in international meetings here and abroad and frequent discussions with foreign visitors continue to be an important part of the Council's activities. In the past year, two members of the Council and members of the Council's staff took part in meetings held in Paris under

the auspices of the Organization for European Economic Cooperation (OEEC), and prepared, as in previous years, a report on the United States economy for use in the OEEC's annual review of world economic developments. The Council and members of its staff received various visiting groups of economists and officials from other countries and international organizations, and two members of the Council staff held a number of seminars for foreign businessmen and Government officials.

### *Publications Work*

In keeping with its responsibilities under the Employment Act, the Council assisted the President in the preparation of his annual Economic Report to the Congress; 30,000 copies of the January 1959 Report were printed. Copies were distributed to members of the Joint Economic Committee, all other members of the Congress, departments and agencies of the Government, representatives of the press, and depository libraries throughout the country. The Superintendent of Documents sold 19,000 copies to the general public.

The Chairman of the Council, accompanied by the other Council members, testified in executive session before the Joint Economic Committee on the 1959 *Economic Report of the President*. At these hearings, the character and effectiveness of economic policies for the preceding year were reviewed, the prospects for 1959 were appraised, and recommendations were made for policies that would promote economic growth and price stability in the year ahead.

The Council prepares *Economic Indicators*, a monthly compendium of current economic statistics, published by the Joint Economic Committee of the Congress. Copies of this publication are distributed to all members of the Congress and to depository libraries. In addition, 10,000 copies of each monthly issue are sold by the Superintendent of Documents to subscribers and others.

### *Council Members and Staff*

Dr. Saulnier served as Consultant to the Council from 1953 to 1955, has been a member of the Council since April 1955, and its Chairman since December 1956. He is on leave of absence from Barnard College, Columbia University, where he is Professor of Economics, and from the National Bureau of Economic Research.

Dr. Brandt, who received an interim appointment as a member of the Council in November 1958, was confirmed by the Senate on March 12, 1959. He is on leave of absence from Stanford University, where he is Professor of Economic Policy and Associate Director of the Food Research Institute.

Dr. Wallich was appointed a member of the Council on April 15, 1959 and confirmed by the Senate on May 5. He is on leave of absence from Yale University, where he is Professor of Economics. Dr. Wallich succeeded

**Paul W. McCracken**, Professor of Business Conditions at the School of Business Administration of the University of Michigan, who resigned on January 31, 1959, to return to his University work; he had served as a member of the Council from December 1956.

The Council is assisted by a staff of 12 senior economists and statisticians who are experts in their fields. Each staff member is responsible for obtaining the cooperation of other Government agencies and of business, labor, and other private groups in analyzing and evaluating economic developments in his assigned areas, and for keeping the Council advised of current and foreseeable developments. The full-time staff members are Bernard S. Beckler, Harold F. Breimyer, Henry W. Briefs (on leave from Georgetown University), Samuel L. Brown, Robert C. Colwell, Frances M. James, Marshall A. Kaplan, Hal B. Lary, David W. Lusher, Irving H. Siegel, Walter F. Stettner, and Collis Stocking, who is also Administrative Officer of the Council. Charles A. Taff of the University of Maryland serves as a Consultant to the Council.

Charles L. Schultze resigned from the Council staff on January 30, 1959 to join the faculty of Indiana University and John A. Schnittker on August 14, 1959 to return to his post of Associate Professor, Department of Economics, Kansas State University.

For the fiscal year 1960, the Congress appropriated \$395,000 for the Council's activities, the same amount appropriated for the fiscal year 1959.