
Appendix B

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1965

LETTER OF TRANSMITTAL

DECEMBER 31, 1965.

The PRESIDENT.

SIR: The Council of Economic Advisers submits this report on its activities during the calendar year 1965 in accordance with the requirements of Congress, as set forth in section 4(d) of the Employment Act of 1946.

Respectfully,

GARDNER ACKLEY, *Chairman*
OTTO ECKSTEIN
ARTHUR M. OKUN

Report to the President on the Activities of the Council of Economic Advisers During 1965

The Council of Economic Advisers was established as an agency in the Executive Office of the President by the Employment Act of 1946. Under the Act, the Council is charged with the responsibility of analyzing and interpreting economic developments and trends and formulating and recommending economic policies that will promote the goals of "maximum employment, production, and purchasing power."

The Council endeavors to keep the President and his immediate staff fully informed concerning economic developments and prospects, and emerging problems that may affect the Nation's economy. At the request of the President, and members of his staff, or on its own initiative, the Council studies particular areas or problems, and makes recommendations concerning Government programs and policies. Continuous contact is maintained with all major Government agencies having responsibilities in the economic field, and the Council participates frequently in interagency discussions of problems of economic policy. In addition, it participates in, and sometimes chairs, a number of more formal interagency committees.

The Council undertakes the responsibility of explaining and clarifying the Administration's economic policies both within Government and to the public at large. This is carried out through speeches, articles, statements, special studies (including, this year, the *Report to the President on Steel Prices*), Congressional testimony, and the *Annual Report of the Council of Economic Advisers*.

An important phase of the Council's work involves its participation in the activities of international organizations of which the United States is a member. Council members and staff have been particularly active in the various committees and working groups of the Organization for Economic Cooperation and Development.

Gardner Ackley, Otto Eckstein, and Arthur M. Okun continued to serve as Council members in 1965, with Mr. Ackley as Chairman. Messrs. Ackley, Eckstein, and Okun are on leave from the University of Michigan, Harvard University, and Yale University, respectively.

On December 27, the President announced that James S. Duesenberry, Professor of Economics, Harvard University, will succeed Mr. Eckstein, who is returning to the Harvard University faculty about February 1, 1966.

Following is a list of all past Council members and their dates of service:

Name	Position	Oath of office date	Separation date
Edwin G. Nourse.....	Chairman.....	August 9, 1946.....	November 1, 1949.
Leon H. Keyserling.....	Vice Chairman.....	August 9, 1946.....	
	Acting Chairman.....	November 2, 1949.....	
	Chairman.....	May 10, 1950.....	January 20, 1953.
John D. Clark.....	Member.....	August 9, 1946.....	
	Vice Chairman.....	May 10, 1950.....	February 11, 1953.
Roy Blough.....	Member.....	June 29, 1950.....	August 20, 1952.
Robert C. Turner.....	Member.....	September 8, 1952.....	January 20, 1953.
Arthur F. Burns.....	Chairman.....	March 19, 1953.....	December 1, 1956.
Nell H. Jacoby.....	Member.....	September 15, 1953.....	February 9, 1955.
Walter W. Stewart.....	Member.....	December 2, 1953.....	April 29, 1955.
Joseph S. Davis.....	Member.....	May 2, 1955.....	October 31, 1958.
Raymond J. Saulnier.....	Member.....	April 4, 1955.....	
	Chairman.....	December 3, 1956.....	January 20, 1961.
Paul W. McCracken.....	Member.....	December 3, 1956.....	January 31, 1959.
Karl Brandt.....	Member.....	November 1, 1958.....	January 20, 1961.
Henry C. Walllich.....	Member.....	May 7, 1959.....	January 20, 1961.
James Tobin.....	Member.....	January 29, 1961.....	July 31, 1962.
Kermit Gordon.....	Member.....	January 29, 1961.....	December 27, 1962.
Walter W. Heller.....	Chairman.....	January 29, 1961.....	November 15, 1964.
John P. Lewis.....	Member.....	May 17, 1963.....	August 31, 1964.

At the end of 1965, members of the Council's professional staff were John J. Arena, Guy Black, Stanley W. Black, John W. Dorsey, Jr., Theodore J. Goering, Frances M. James, Susan J. Lepper, Wilfred Lewis, Jr., David W. Lusher, Paul W. Mac Avoy, Benjamin A. Okner, Theodore K. Osgood, Alfred Reifman, R. Robert Russell, Frank W. Schiff, Martin Segal, Lewis J. Spellman, and Paul J. Taubman.

Each year a number of staff members who have joined the Council on a temporary basis return to posts in private life or in government. Those leaving the Council in 1965 were Jarvis M. Babcock, James T. Bonnen, W. Lee Hansen, Edwin S. Mills, Theodore Morgan, Frederic Q. Raines, Melvin Rothbaum, Lester D. Taylor, Lester C. Thurow, Joseph J. Walka, and Ramsay Wood.

The Council consults frequently with leading members of the economics profession. The following served the Council as consultants during 1965: W. H. Locke Anderson, William J. Baumol, Barbara Berman Bergmann, William G. Bowen, Harvey E. Brazer, E. Cary Brown, Richard E. Caves, Richard N. Cooper, James S. Duesenberry, John Dunlop, Kermit Gordon, Walter W. Heller, Maynard M. Hufschmidt, Myron L. Joseph, Carl Kaysen, Charles P. Kindleberger, Mark W. Leiserson, Harold M. Levinson, John V. Lintner, Jr., Richard A. Musgrave, Joseph A. Pechman, Merton J. Peck, George L. Perry, Frank C. Pierson, Albert E. Rees, Walter Salant, Paul A. Samuelson, Warren L. Smith, Robert M. Solow, Charles A. Taff, James Tobin, and Lloyd Ulman.

The Council also consults from time to time with various groups from industry and labor, including its Liaison Committee of the Business Council, the AFL-CIO economists and research directors, and the Conference of Business Economists.

The Council continued its summer student intern program begun in 1961. Those participating in the program this past summer were William H.

Branson, Faith G. Halfter, Allen H. Lerman, Heather L. Ross, and David A. Starrett. In addition, David J. Ott joined the Council staff for the summer.

In 1965, as in most of the preceding 10 years, the Council relied upon the editorial skills of Miss Dorothy Wescott in preparing its Annual Report.

PUBLICATIONS

The January 1965 *Economic Report of the President*, together with *The Annual Report of the Council of Economic Advisers*, was distributed to members of the Congress, Government officials, the press, and depository libraries. The Superintendent of Documents sold more than 50,000 copies to the public.

The monthly *Economic Indicators*, an important compilation of current economic statistics, has been prepared since 1948 at the Council under the direction of Miss Frances M. James, and is published by the Joint Economic Committee of the Congress. Under authority of a Joint Resolution of the Congress, copies are furnished to members of the Congress and to depository libraries. The Superintendent of Documents sells more than 8,000 copies a month to the public.

