

Appendix A
REPORT TO THE PRESIDENT ON THE ACTIVITIES
OF THE
COUNCIL OF ECONOMIC ADVISERS DURING 1983

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 31, 1983.

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during the calendar year 1983 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

MARTIN FELDSTEIN, *Chairman*

WILLIAM A. NISKANEN

WILLIAM POOLE

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.
Neil H. Jacoby.....	Member.....	September 15, 1953.....	February 9, 1955.
Walter W. Stewart.....	Member.....	December 2, 1953.....	April 29, 1955.
Raymond J. Saulnier.....	Member.....	April 4, 1955.....	
	Chairman.....	December 3, 1956.....	January 20, 1961.
Joseph S. Davis.....	Member.....	May 2, 1955.....	October 31, 1958.
Paul W. McCracken.....	Member.....	December 3, 1956.....	January 31, 1959.
Karl Brandt.....	Member.....	November 1, 1958.....	January 20, 1961.
Henry C. Wallich.....	Member.....	May 7, 1959.....	January 20, 1961.
Walter W. Heller.....	Chairman.....	January 29, 1961.....	November 15, 1964.
James Tobin.....	Member.....	January 29, 1961.....	July 31, 1962.
Kermit Gordon.....	Member.....	January 29, 1961.....	December 27, 1962.
Gardner Ackley.....	Member.....	August 3, 1962.....	
	Chairman.....	November 16, 1964.....	February 15, 1968.
John P. Lewis.....	Member.....	May 17, 1963.....	August 31, 1964.
Otto Eckstein.....	Member.....	September 2, 1964.....	February 1, 1966.
Arthur M. Okun.....	Member.....	November 16, 1964.....	
	Chairman.....	February 15, 1968.....	January 20, 1969.
James S. Duesenberry.....	Member.....	February 2, 1966.....	June 30, 1968.
Merton J. Peck.....	Member.....	February 15, 1968.....	January 20, 1969.
Warren L. Smith.....	Member.....	July 1, 1968.....	January 20, 1969.
Paul W. McCracken.....	Chairman.....	February 4, 1969.....	December 31, 1971.
Hendrik S. Houthakker.....	Member.....	February 4, 1969.....	July 15, 1971.
Herbert Stein.....	Member.....	February 4, 1969.....	
	Chairman.....	January 1, 1972.....	August 31, 1974.
Ezra Solomon.....	Member.....	September 9, 1971.....	March 26, 1973.
Marina v.N. Whitman.....	Member.....	March 13, 1972.....	August 15, 1973.
Gary L. Seever.....	Member.....	July 23, 1973.....	April 15, 1975.
William J. Fellner.....	Member.....	October 31, 1973.....	February 25, 1975.
Alan Greenspan.....	Chairman.....	September 4, 1974.....	January 20, 1977.
Paul W. MacAvoy.....	Member.....	June 13, 1975.....	November 15, 1976.
Burton G. Malkiel.....	Member.....	July 22, 1975.....	January 20, 1977.
Charles L. Schultze.....	Chairman.....	January 22, 1977.....	January 20, 1981.
William D. Nordhaus.....	Member.....	March 18, 1977.....	February 4, 1979.
Lyle E. Gramley.....	Member.....	March 18, 1977.....	May 27, 1980.
George C. Eads.....	Member.....	June 6, 1979.....	January 20, 1981.
Stephen M. Goldfeld.....	Member.....	August 20, 1980.....	January 20, 1981.
Murray L. Weidenbaum.....	Chairman.....	February 27, 1981.....	August 25, 1982.
Jerry L. Jordan.....	Member.....	July 14, 1981.....	July 31, 1982.
William A. Niskanen.....	Member.....	June 12, 1981.....	
Martin Feldstein.....	Chairman.....	October 14, 1982.....	
William Poole.....	Member.....	December 10, 1982.....	

Report to the President on the Activities of the Council of Economic Advisers During 1983

The Employment Act of 1946 (P.L. 304-79th Congress), as amended, provides the statutory base for the activities of the Council of Economic Advisers. The Council, through the Chairman, provides advice to the President on a wide range of domestic and international economic policy issues, assists in the preparation of the President's Economic Report to the Congress, and conducts analyses and studies on a wide range of economic issues in support of its primary mission.

Martin Feldstein, William A. Niskanen, and William Poole continued to serve as Council Members in 1983, with Mr. Feldstein as Chairman. Mr. Feldstein is on leave from Harvard University where he is a Professor of Economics. Mr. Niskanen is on leave from the University of California at Los Angeles where he is a Professor of Business Administration. Mr. Poole is on leave from Brown University where he is a Professor of Economics.

MACROECONOMIC POLICIES

As is its tradition, during 1983 the Council devoted much of its time to assisting the President in the formulation of broad economic policy objectives and the programs to carry them out. The development of economic assumptions and monitoring of current developments, under Mr. Poole, were areas of major interest. Monetary policy developments received especially close attention.

Mr. Poole chaired the interagency subcabinet forecasting group, consisting of representatives from the Department of the Treasury and the Office of Management and Budget, with participation by the Department of Commerce. The Chairman of the Council continued his responsibility for presenting to the President the economic assumptions developed with the Office of Management and Budget and the Department of the Treasury.

MICROECONOMIC POLICIES

A wide variety of microeconomic issues received Council attention during the year. Council Members chaired or participated in numerous Cabinet level groups dealing with such issues as international trade, economic statistics, Federal credit programs, alternatives to Federal regulation, Federal housing programs, and fuel economy

standards. Mr. Niskanen chaired Cabinet Council working groups dealing with employee pension legislation.

The Chairman actively participated during the early months of the year, and then during the late fall budget cycle, in Cabinet level reviews of the Federal budget.

PUBLIC INFORMATION

The Council's *Annual Report* is the principal medium through which the Council informs the public of its work and its views. It is also an important vehicle for presenting and explaining the Administration's domestic and international economic policies. Distribution of the *Report* in recent years has averaged about 50,000 copies. The Council also assumes primary responsibility for the monthly *Economic Indicators*, a publication prepared by the Council's Statistical Office, under the supervision of Catherine H. Furlong. The Joint Economic Committee issues the *Indicators*, which has a distribution of approximately 10,000 copies. Information is also provided to members of the public through speeches and other public appearances by the Council Members.

ORGANIZATION AND STAFF OF THE COUNCIL

OFFICE OF THE CHAIRMAN

The Chairman is responsible for communicating the Council's views to the President. This duty is performed through discussions with the President and written reports on economic developments. The Chairman also represents the Council at Cabinet meetings and at many other formal and informal meetings of government officials. He exercises ultimate responsibility for directing the work of the professional staff.

COUNCIL MEMBERS

The two Council Members are responsible for all subject matter covered by the Council, including direct supervision of the work of the professional staff. Members represent the Council at a wide variety of interagency and international meetings and assume major responsibility for selecting issues for Council attention.

In practice, the small size of the Council permits the Chairman and Council Members to work as a team on most policy issues. There was, however, an informal division of subject matter among them in 1983. Mr. Poole assumed primary responsibility for domestic and international macroeconomic analysis, economic projections, and monetary and financial issues. Mr. Niskanen is primarily responsible for

microeconomic and sectoral analysis, international trade questions, and regulatory issues.

PROFESSIONAL STAFF

At the end of 1983 the professional staff consisted of the Special Assistant to the Chairman, the Senior Statistician, nine senior staff economists, five junior staff economists, and three research assistants.

The professional staff and their special fields at the end of 1983 were:

Geoffrey O. Carliner Special Assistant to the Chairman

Senior Staff Economists

Lincoln F. Anderson..... Macroeconomic Analysis
Jeffrey A. Frankel..... International Finance
Stephen K. Halpert..... Legal and Regulatory Policy
William S. Haraf Macroeconomic Analysis and Financial Regulation
David R. Henderson..... Health and Energy
Lawrence B. Lindsey Public Finance and Taxation
Robert L. Thompson..... Food and Agriculture
Kathleen P. Utgoff..... Labor and Employment
Robert S. Villanueva..... Macroeconomic Analysis and Housing Policy

Statistician

Catherine H. Furlong Senior Statistician

Junior Staff Economists

Kenneth A. Froot..... International Trade and Finance
Gail G. Ifshin Transportation and Regulation
William S. Milberg..... International Trade
John F. Navratil Taxation
Charles N. Schorin Macroeconomic Analysis and Labor

Research Assistants

Andrew G. Berg..... Fiscal Policy
Suzanne G. Greenspun..... Current Economic Conditions
Andrew R. Myers..... Macroeconomic Analysis

Catherine H. Furlong, Senior Statistician, continued to be in charge of the Council's Statistical Office. Mrs. Furlong has primary responsibility for managing the Council's statistical information system. She supervises the publication *Economic Indicators* and the preparation of all statistical matter in the *Economic Report*. She also oversees the verification of statistics in memoranda, testimony, and

speeches. Natalie V. Rentfro, Linda A. Reilly, and Barbara L. Sibel assist Mrs. Furlong.

In preparing the *Economic Report* the Council relied upon the editorial services of Joseph Foote. Donald Uttrich worked at the Council during the fall as an intern.

SUPPORTING STAFF

The Administrative Office of the Council of Economic Advisers provides general support for the Council's activities. Serving in the Administrative Office were Elizabeth A. Kaminski, Staff Assistant to the Council, and Catherine Fibich, Administrative Assistant.

Members of the secretarial staff for the Chairman and Council Members during 1983 were Patricia A. Lee, Susan A. Lindsey, Georgia A. O'Connor, and Alice H. Williams. Secretaries for the professional staff were Carolyn L. Bazarnick, Bessie M. Lafakis, Rosemary M. Rogers, Margaret L. Synder, and Lillie M. Sturniolo.

DEPARTURES

The Council's professional staff are in most cases on leave of absence from universities, other government agencies, or research institutions. Their tenure with the Council is usually limited to 1 or 2 years. Senior staff economists who resigned during the year and their subsequent affiliations were Daniel J. Frisch (Department of the Treasury), Thomas J. Kniesner (University of North Carolina), Paul R. Krugman (Massachusetts Institute of Technology), Evan R. Kwerel (Federal Communications Commission), Thomas S. McCaleb (Florida State University), Stephen K. McNees (Federal Reserve Bank of Boston), Glenn L. Nelson (University of Minnesota), Lawrence H. Summers (Harvard University), Adrian W. Throop (Federal Reserve Bank of San Francisco), and Benjamin Zycher (California Institute of Technology). Eric I. Hemel, Special Assistant to the Chairman, joined the Federal Home Loan Bank Board.

Staff economists who resigned during the year were N. Gregory Mankiw (Harvard Law School and the Massachusetts Institute of Technology) and Robert H. Meyer (The Brookings Institution).

Junior staff economists who resigned in 1983 were Christopher B. Ballinger (University of California, Berkeley), John H. Cochrane (University of California, Berkeley), John S. Earle (Stanford University), Thomas W. Gilligan (Washington University, St. Louis), David S. Reitman (Stanford University), and Dan C. Roberts (Chase Manhattan Bank).