

Appendix A
REPORT TO THE PRESIDENT ON THE ACTIVITIES
OF THE
COUNCIL OF ECONOMIC ADVISERS DURING 1984

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 31, 1984.

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during the calendar year 1984 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,

WILLIAM A. NISKANEN, *Member*

WILLIAM POOLE, *Member*

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. SeEVERS.....	Member.....	July 23, 1973.....	April 15, 1975.
William J. Felner.....	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.....	July 10, 1984.
William Poole.....	Member.....	December 10, 1982.....	

Report to the President on the Activities of the Council of Economic Advisers During 1984

The Council of Economic Advisers was established by the Employment Act of 1946 to provide economic analysis and advice to the President and thus to assist in the development and implementation of national economic policies. The Council also advises the President with regard to decisions on other matters that affect the health and operations of the Nation's economy.

Martin S. Feldstein resigned as Chairman to return to Harvard University as Professor of Economics. Upon his departure, William A. Niskanen, the senior Council Member, assumed the duties of the Chairman. William Poole continued to serve as a Council Member in 1984. 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 1984 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 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. He also chaired a Cabinet Council Working Group on Economic Statistics, and he presented several studies of macroeconomic policy issues before the Cabinet Council on Economic Affairs.

The Council continued its responsibility for developing with the Office of Management and Budget and the Department of the Treasury the economic assumptions that are presented to the President.

MICROECONOMIC POLICIES

A wide variety of microeconomic issues received Council attention during the year. Mr. Niskanen chaired or participated in numerous

Cabinet-level groups, such as the Cabinet Council on Economic Affairs dealing with such issues as international trade, agriculture, alternatives to Federal regulation, Federal housing programs, fuel economy standards, and employee pension legislation.

Mr. Niskanen also actively participated in Cabinet-level reviews of the Federal budget and the second-term economic policy agenda.

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. The Chairman 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 1984. Mr. Poole assumed primary responsibility for domestic and international macroeconomic analysis, economic projections, and monetary and financial issues. Mr. Niskanen was primarily responsi-

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

PROFESSIONAL STAFF

At the end of 1984 the professional staff consisted of the Special Assistant, the Senior Statistician, 12 senior and staff economists, and 6 junior staff economists.

The professional staff and their special fields at the end of 1984 were:

William S. Haraf..... Special Assistant to the Council

Senior Staff Economists

Lincoln F. Anderson..... Macroeconomics
J. Hayden Boyd..... Transportation, Energy, and Environment
Roger D. Feldman Health
Richard T. Freeman International Finance
Marvin S. Goodfriend..... Money and Finance
Joseph A. Grundfest Legal Matters and Regulation
Joel B. Slemrod Public Finance and Taxation
Joe A. Stone..... International Trade
Robert L. Thompson..... Agriculture
Kathleen P. Utgoff..... Labor and Employment
Robert S. Villanueva..... Macroeconomics

Staff Economist

Randall S. Jones International Trade

Statistician

Catherine H. Furlong Senior Statistician

Junior Staff Economists

Alexander S. Berg Macroeconomics
Ann M. Hillberg Agriculture and Trade
Andrew N. Kleit..... Regulation and Transportation
Mark S. Lutz International Finance and Macroeconomics
John F. Navratil Public Finance and Financial Regulation
Thomas R. Rumbaugh Trade and Public Finance

Catherine H. Furlong, Senior Statistician, continued to direct 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 verifica-

tion of statistics in memoranda, testimony, and speeches. Natalie V. Rentfro and Linda A. Reilly assist Mrs. Furlong.

In preparing the *Economic Report* the Council relied upon the editorial services of Joseph Foote.

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.

The secretaries for the Council Members during 1984 were Patricia A. Lee and Alice H. Williams. Secretaries for the professional staff were Bessie M. Lafakis, Rosemary M. Rogers, Margaret L. Snyder, and Suzanne M. Tudor. Ciara A. Burnham assisted the support staff during the summer months.

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 Jeffrey A. Frankel (University of California, Berkeley), Stephen K. Halpert (University of Miami), David R. Henderson (Naval Postgraduate School, Monterey), and Lawrence B. Lindsey (Harvard University). Geoffrey O. Carliner, Special Assistant to the Chairman, joined the National Bureau of Economic Research, Cambridge, Massachusetts.

Junior staff economists who resigned in 1984 were Kenneth A. Froot (University of California, Berkeley), Gail G. Ifshin (University of Maryland), William S. Milberg (Rutgers University), and Charles N. Schorin (Princeton University).

Research assistants who resigned in 1984 were Andrew G. Berg (Harvard University), Suzanne G. Greenspun (OECD, Paris), and Andrew R. Myers (Massachusetts Institute of Technology).

Support staff who resigned in 1984 were Carolyn L. Bazarnick, Patricia Byrne, Susan A. Lindsey, Georgia A. O'Connor, Barbara L. Severn, and Lillie M. Sturniolo.