Appendix B

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1958
Letter of Transmittal

DECEMBER 30, 1958.

The President.

Sir: The Council of Economic Advisers submits this Annual Report for calendar year 1958 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.

PAUL W. McCracken.
Report to the President on the Activities of the Council of Economic Advisers During 1958

The Council's attention in the early months of 1958 was focused largely on measures to help arrest the economic decline; after April, attention was directed increasingly to measures that would help promote a sound recovery in the economy and a high and sustainable rate of long-term expansion.

Through its Chairman, the Council kept the President informed of economic developments and their policy and program implications. The Chairman attended all Cabinet meetings and reported frequently to the Cabinet on economic developments and policy. The Chairman also attended, on direction of the President, all meetings of the National Security Council at which economic questions were discussed.

The Council was called upon frequently during the year to appraise proposals for legislative or administrative actions, with special regard to the effect they might have on the growth and stability of the economy. Through its membership on interdepartmental committees and task forces, and through frequent consultation with Government and private agencies, the Council participated in the formulation of policies affecting economic growth and stability. A Council member serves on the Council on Foreign Economic Policy and the Civil and Defense Mobilization Board. The Chairman of the Council is also Chairman of the Cabinet Committee on Small Business and serves on the President's Special Committee on Financial Policies for Postattack Operations. Council staff members serve on ad hoc committees of the latter committee. The Council conferred frequently with the State Department on foreign economic questions, and its senior staff economist on international economic matters attended most meetings of the National Advisory Council on International Monetary and Financial Problems.

The Council participated in a number of international meetings during the year and continued its cooperation with various international agencies. In April a member of the staff participated in the Thirteenth Plenary Session of the United Nations Economic Commission for Europe held in Geneva, Switzerland; and a member of the Council, accompanied by senior staff economists, attended two meetings under the auspices of the Organization for European Economic Cooperation (OEEC) in Paris. In July, the Council submitted a Survey of Economic Developments in the United States for the Annual Review of the OEEC; and in February, it submitted responses to the United Nations' annual questionnaire on eco-
nomic developments and policies. In December, a member of the Council staff participated in a meeting of the "Economic Experts" group of the OEEC, held in Paris. Two members of the staff met frequently with foreign groups studying in this country under the auspices of the International Cooperation Administration.

During the year, the Council met with representatives of business concerns, financial houses, and consumer organizations, and representatives of farm and other groups to discuss business conditions, the economic outlook, and policy questions relating to the economy's growth and stability. The Chairman participated in the semiannual meetings of the Business Advisory Council of the Department of Commerce, and a staff member attended meetings of the technical consultants to that body.

In accordance with the Employment Act, the Council assisted the President in the preparation of the annual Economic Report. This Report, which is transmitted to the Congress in January, reviews the economic developments of the past year, including the steps taken by Government to promote the economy's growth and stability; appraises the current position of the economy and the outlook for the year ahead; and makes recommendations to the Congress and suggestions to the States, local communities, and private groups for actions and policies to help achieve the goals set forth in the Employment Act. It also includes an extensive appendix of statistical information bearing on the United States economy.

Twenty-nine thousand copies of the January 1958 Economic Report of the President were published, of which half were sold to the public through the Superintendent of Documents. Copies were supplied to all members of the Congress and were made available to depository libraries throughout the country.

The Council also prepares Economic Indicators, a monthly compendium of current economic statistics. This widely used periodical is published by the Joint Economic Committee of the Congress. Like the Economic Report of the President, it is distributed to all members of the Congress and to depository libraries. An additional 6,500 copies of Economic Indicators go to paying subscribers.

Council Membership

The present members of the Council are Raymond J. Saulnier, Paul W. McCracken, and Karl Brandt.

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

Dr. McCracken, Professor of Business Conditions on leave from the School of Business Administration, University of Michigan, has served as
a member of the Council since December 1956 and previously as a member of the senior staff.

Dr. Brandt was designated a member of the Council, on an interim appointment basis, in November 1958. He is Professor of Agricultural Economics on leave from Stanford University, where he is Associate Director of the Food Research Institute. Dr. Brandt's name will be transmitted to the Senate for confirmation when the Congress convenes in January 1959.

Joseph S. Davis, Professor Emeritus of Stanford University and formerly Director of the Food Research Institute at that University, resigned his membership on the Council in October 1958. Dr. Davis had served as a member of the Council from May 2, 1955.

Council Staff

The Council has a staff of 29 persons, of whom 14 are senior economists and statisticians. Each senior staff member is assigned one or more areas for special attention, and cooperates with other Government agencies and with business, labor, and other private groups in analyzing and evaluating economic developments. Two of the members are on leave from university faculties; all others are permanent employees. Supplementing its full-time staff, several university economists serve the Council occasionally as consultants. The present members of the senior staff are Bernard S. Beckler, Henry W. Briefs (on leave, Georgetown University), Samuel L. Brown, Robert C. Colwell, Frances M. James, Marshall A. Kaplan, Hal B. Lary, David W. Lusher, John A. Schnittker (on leave, Kansas State College), Charles L. Schultze, Irving H. Siegel, Walter F. Stettner, Collis Stocking, and Charles A. Taff.

Advisory Board on Economic Growth and Stability

The Advisory Board on Economic Growth and Stability, which meets weekly under the Chairmanship of the Chairman of the Council, was established by the President in 1953 to advise with the Council on matters affecting the growth and stability of the economy. 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—Frederick H. Mueller, 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—Roger W. Jones, Deputy Director
Budget for Fiscal Year 1959

For the fiscal year 1959, the Congress appropriated $375,000 for the Council's activities. A supplemental budget request for $20,000 is being made to cover part of the cost of increased salaries due under the terms of the Federal Employees Salary Increase Act of 1958.