

**Appendix A**  
**REPORT TO THE PRESIDENT ON THE ACTIVITIES**  
**OF THE**  
**COUNCIL OF ECONOMIC ADVISERS DURING 1985**



LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,  
*Washington, D.C., December 31, 1985.*

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during the calendar year 1985 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,

BERYL W. SPRINKEL, *Chairman*  
THOMAS GALE MOORE, *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.....	
John D. Clark.....	Chairman.....	May 10, 1950.....	January 20, 1953.
	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. 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.....	March 30, 1985.
Martin Feldstein.....	Chairman.....	October 14, 1982.....	July 10, 1984.
William Poole.....	Member.....	December 10, 1982.....	January 20, 1985.
Beryl W. Sprinkel.....	Chairman.....	April 18, 1985.....	
Thomas Gale Moore.....	Member.....	July 1, 1985.....	

## Report to the President on the Activities of the Council of Economic Advisers During 1985

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 on other matters affecting the health and operations of the Nation's economy.

Beryl W. Sprinkel was appointed Chairman of the Council on April 18, 1985. Dr. Sprinkel was formerly Under Secretary of the Treasury for Monetary Affairs. Thomas Gale Moore of the Hoover Institution on War, Revolution, and Peace of Stanford University was appointed a Member on July 1, 1985. William A. Niskanen resigned as a Member on March 30, 1985, to become Chairman of The Cato Institute in Washington, D.C. William Poole resigned as a Member on January 20, 1985, to return to Brown University where he is a Professor of Business Administration.

### MACROECONOMIC POLICIES

As is its tradition, the Council devoted much of its time during 1985 to advising the President on the formulation of broad economic policy objectives and the design of programs to carry them out.

The Council chaired an interagency forecasting group, also including the Secretary of the Treasury and the Director of the Office of Management and Budget, which develops the economic projections for the Federal budget that are presented to the President. The Council also presented studies of macroeconomic policy issues before the Cabinet-level Economic Policy Council, paying particular attention to monetary policy and financial market developments.

The Chairman of the Council was elected Chairman of the Economic Policy Committee of the Organization for Economic Cooperation and Development (OECD) and the Council participated actively in other OECD fora, working on a variety of issues, including structural adjustment and barriers to economic development.

### MICROECONOMIC POLICIES

A wide variety of microeconomic issues received Council attention during the year. The Council participated in Cabinet-level groups dealing with such issues as international trade policy and regulation,

agriculture and farm credit, privatization and alternatives to Federal regulation, employee pensions, space shuttle pricing, immigration, antitrust laws, the economic impact of the Gramm-Rudman-Hollings budget proposals, and analysis of the effects of tax reform.

#### 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 the Administration's domestic and international economic policies. Annual distribution of the *Report* in recent years has averaged about 50,000 copies. The Council also assumes primary responsibility for the monthly *Economic Indicators*, which is issued by the Joint Economic Committee of the Congress and has a distribution of approximately 10,000. Information is also provided to the public through speeches and other public appearances by the Council Chairman, Members, and senior staff.

### ORGANIZATION AND STAFF OF THE COUNCIL

#### OFFICE OF THE CHAIRMAN

The Chairman is responsible for communicating the Council's views to the President. This role is performed through personal discussions with the President and written reports on economic developments. The Chairman also represents the Council at Cabinet meetings, meetings of the Cabinet-level Economic Policy Council and Domestic Policy Council, the daily White House senior staff meetings, and at many other formal and informal meetings of senior government officials. The Chairman exercises ultimate responsibility for directing the work of the professional staff.

#### COUNCIL MEMBERS

Members of the Council are involved in the full range of issues within the Council's purview, and are responsible for the 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.

The small size of the Council permits the Council Chairman and Members to work as a team on most policy issues. There was in 1985, however, an informal division of subject matter. In addition to overseeing the entire work of the Council, Dr. Sprinkel has temporarily assumed primary responsibility for domestic and international macroeconomic analysis, economic projections, and monetary and financial issues. Dr. Moore has been primarily responsible for microeconomic, trade, and sectoral analysis, as well as regulatory issues.

## PROFESSIONAL STAFF

The professional staff of the Council consists of the Special Assistant, the senior statistician, 11 senior staff economists, 6 junior staff economists, and 1 research assistant. The professional staff and their respective areas of concentration at the end of 1985 were:

### *Special Assistant to the Chairman*

Margot E. Machol

### *Senior Staff Economists*

Lincoln F. Anderson.....	Macroeconomics and Forecasting
Joseph R. Antos.....	Health, Education, and Welfare
Dallas S. Batten .....	International Finance and Macroeconomics
Robert G. Chambers .....	Agriculture
Arlene S. Holen.....	Labor and Immigration
Robert E. Keleher.....	Macroeconomics
Carol A. Leisenring .....	Macroeconomics and Monetary Policy
John H. Mutti .....	International Trade
Charles E. Stuart .....	Public Finance and Taxation
Susan E. Woodward .....	Financial Markets and Regulation
Martin B. Zimmerman .....	Energy, Transportation, Environment, and Regulation

### *Statistician*

Catherine H. Furlong..... Senior Statistician

### *Junior Staff Economists*

David S. Bizer .....	Public Finance and Taxation
Catherine A. Bonser-Neal .....	International Trade and Finance
Phillip A. Braun.....	Macroeconomics and Finance
S. Dean Furbush.....	General Microeconomics and Labor
Ellen L. Hughes-Cromwick ...	Macroeconomics and Money
James V. Stout .....	General Microeconomics

### *Research Assistant*

Anne H. Caple

Michael L. Mussa, William H. Abbott Professor of International Business at the University of Chicago, served as a consultant during 1985.

Natalie V. Rentfro, Linda A. Reilly, and Deborah D. Miller work in the Statistical Office, which is run by Mrs. Furlong. This office manages the Council's statistical information system, overseeing the publication of the *Economic Indicators* and the statistical appendix to the

*Economic Report*, as well as the verification of statistics in memoranda, testimony, and speeches.

Joseph Foote provided editorial assistance in the preparation of the *Economic Report*.

#### SUPPORTING STAFF

The Administrative Office, which provides general support for the Council's activities, consists of Elizabeth A. Kaminski, Staff Assistant to the Council, and Catherine Fibich, Administrative Assistant.

The secretaries for the Council of Economic Advisers during 1985 were Bonnie D. Brown, Audrey L. Carlson, Nancy L. Fiester, Bessie M. Lafakis, Lisa D. Robinson, Margaret L. Snyder, Suzanne M. Tudor, and Alice H. Williams.

John E. Singer (Lawrence College) served as an intern during the fall of 1985. Donald R. Brown, Tina L. Haftman, and Penelope M. Lister provided assistance for the Council during the summer. Lorraine A. Ambrosio served as a Student Assistant during the year.

#### DEPARTURES

The Council's senior staff economists, in most cases, are on leave of absence as professors from universities, or are from other government agencies or research institutions. Their tenure with the Council is generally limited to 1 or 2 years. Most of the senior staff economists who resigned during the year returned to their previous affiliations. They are: J. Hayden Boyd (Department of Commerce), Roger D. Feldman (University of Minnesota), Richard T. Freeman (Board of Governors of the Federal Reserve System), Marvin S. Goodfriend (Federal Reserve Bank of Richmond), Joel B. Slemrod (University of Minnesota), and Joe A. Stone (University of Oregon). Some others went on to new positions. They are: Joseph A. Grundfest (Commissioner, Securities and Exchange Commission), William S. Haraf (Visiting Scholar, American Enterprise Institute), Randall S. Jones (Vice President, Japan Economic Institute of America), Robert L. Thompson (Assistant Secretary, Department of Agriculture), Kathleen P. Utgoff (Executive Director, Pension Benefit Guaranty Corporation), and Robert S. Villanueva (consultant).

Junior staff economists usually are graduate students who spend 1 year with the Council and then return to complete their dissertations. Those who resigned in 1985 were: Alexander S. Berg (University of Chicago), Ann Marie Hillberg (Purdue University), Andrew N. Kleit (Yale University), Mark S. Lutz (University of Maryland), John F. Navratil (Harvard University), and Thomas R. Rumbaugh (University of Maryland).



Support staff who resigned in 1985 were Patricia A. Lee (Department of Commerce), Rosemary M. Rogers (Pension Benefit Guaranty Corporation), and Barbara L. Severn (Department of the Navy).

