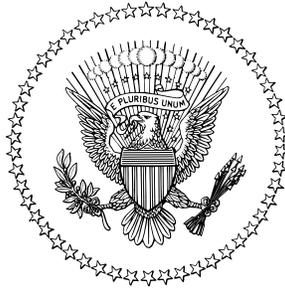


# **Economic Report of the President**



**Transmitted to the Congress  
February 1997**

TOGETHER WITH  
**THE ANNUAL REPORT**  
OF THE  
**COUNCIL OF ECONOMIC ADVISERS**

**UNITED STATES GOVERNMENT PRINTING OFFICE**

**WASHINGTON : 1997**

---

**For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402**



# C O N T E N T S

---

	<i>Page</i>
ECONOMIC REPORT OF THE PRESIDENT .....	1
ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS*.	7
CHAPTER 1. GROWTH AND OPPORTUNITY: CREATING A NEW ECONOMIC ORDER.	17
CHAPTER 2. MACROECONOMIC POLICY AND PERFORMANCE .....	43
CHAPTER 3. ECONOMIC CHALLENGES OF AN AGING POPULATION.	93
CHAPTER 4. THE LABOR MARKET .....	139
CHAPTER 5. INEQUALITY AND ECONOMIC REWARDS .....	163
CHAPTER 6. REFINING THE ROLE OF GOVERNMENT IN THE U.S. MARKET ECONOMY.	189
CHAPTER 7. AMERICAN LEADERSHIP IN THE EMERGING GLOBAL ECONOMY.	235
APPENDIX A. REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1996.	281
APPENDIX B. STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION.	293

---

*\* For a detailed table of contents of the Council's Report, see page 11.*