

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

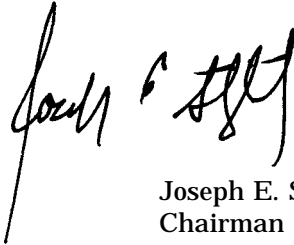
LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,  
*Washington, D.C., February 10, 1997.*

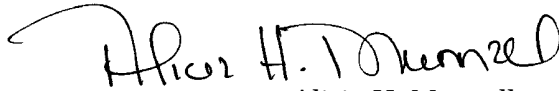
MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 1997 Annual Report in accordance with the provisions of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,



Joseph E. Stiglitz  
Chairman



Alicia H. Munnell  
Member



Jeffrey A. Frankel  
Member-Nominee