

12, Banks and Banking, and enacting provisions set out as a note under section 225a of Title 12]—

“(1) to declare the general policies of this Act [see Short Title note under section 3101 of this title];

“(2) to provide an open process under which economic goals and policies are proposed, reviewed, and established;

“(3) to provide for yearly review of national economic policies to ensure their consistency with these goals to the maximum extent possible; and

“(4) to strengthen and supplement the purposes and policies of the Employment Act of 1946 [this chapter].”

**§ 1022. Economic Report of President; coverage; supplementary reports; reference to Congressional joint committee; percentage rate of unemployment; definitions**

**(a) Time of submission; contents**

The President shall annually transmit to the Congress not later than 10 days after the submission of the budget under section 1105(a) of title 31, with copies transmitted to the Governor of each State and to other appropriate State and local officials, an economic report (hereinafter in this chapter referred to as the “Economic Report”) together with the annual report of the Council of Economic Advisers submitted in accord with section 1023(c) of this title, setting forth—

(1) the current and foreseeable trends in the levels of employment, unemployment, production, capital formation, real income, Federal budget outlays and receipts, productivity, international trade and payments, and prices, and a review and analysis of recent domestic and international developments affecting economic trends in the Nation;

(2)(A) annual numerical goals for employment and unemployment, production, real income, productivity, Federal outlays as a proportion of gross national product, and prices for the calendar year in which the Economic Report is transmitted and for the following calendar year, designated as short-term goals, which shall be consistent with achieving as rapidly as feasible the goals of full employment and production, increased real income, balanced growth, fiscal policies that would establish the share of an expanding gross national product accounted for by Federal outlays at the lowest level consistent with national needs and priorities, a balanced Federal budget, adequate productivity growth, price stability, achievement of an improved trade balance, and proper attention to national priorities; and

(B) annual numerical goals as specified in subparagraph (A) for the three successive calendar years, designated as medium term goals;

(3) employment objectives for certain significant subgroups of the labor force, including youth, women, minorities, handicapped persons, veterans, and middle-aged and older persons; and

(4) a program for carrying out the policy declared in section 1021 of this title, together with such recommendations for legislation as the President may deem necessary or desirable.

**(b) Supplementary reports**

The President may transmit from time to time to the Congress reports supplementary to

the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 1021 of this title.

**(c) Referral to joint committee**

The Economic Report, and all supplementary reports transmitted under subsection (b), shall, when transmitted to Congress, be referred to the joint committee created by section 1024 of this title.

**(d) Rate of unemployment**

For the purposes of the Full Employment and Balanced Growth Act of 1978 [15 U.S.C. 3101 et seq.] the percentage rate of unemployment as<sup>1</sup> a percentage of the civilian labor force as set forth by the Bureau of Labor Statistics in the Department of Labor as computed under the procedures in effect as of October 27, 1978.

**(e) “Inflation”; “prices”; “reasonable price stability” defined**

For the purpose of the Full Employment and Balanced Growth Act of 1978 [15 U.S.C. 3101 et seq.], the terms “inflation”, “prices”, and “reasonable price stability” refer to the rate of change or level of the consumer price index as set forth by the Bureau of Labor Statistics, United States Department of Labor.

(Feb. 20, 1946, ch. 33, § 3, 60 Stat. 24; Aug. 2, 1946, ch. 753, title II, § 226, 60 Stat. 838; June 18, 1956, ch. 399, § 1, 70 Stat. 289; Pub. L. 95-523, title I, § 103, Oct. 27, 1978, 92 Stat. 1892; Pub. L. 96-10, § 6(d), May 10, 1979, 93 Stat. 24; Pub. L. 101-508, title XIII, § 13112(e), Nov. 5, 1990, 104 Stat. 1388-609.)

REFERENCES IN TEXT

The Full Employment and Balanced Growth Act of 1978, referred to in subsecs. (d) and (e), is Pub. L. 95-523, Oct. 27, 1978, 92 Stat. 1887, as amended, which is classified principally to chapter 58 (§ 3101 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of this title and Tables.

CODIFICATION

In subsec. (a), “section 1023(c) of this title” was in the original “section 11(c) of this Act”, which is classified to section 1024(c) of this title. The citation has been editorially translated as indicated to reflect the probable intent of Congress because the reporting requirements appear in section 10(c) of the Act, which is classified to section 1023(c) of this title.

AMENDMENTS

1990—Subsec. (a). Pub. L. 101-508, which directed the substitution of “annually transmit to the Congress not later than 10 days after the submission of the budget under section 1105(a) of title 31” for “transmit to the Congress during the first twenty days of each regular session” in section “103(a) of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 1022(a)”, was executed to this section, section 3 of the Employment Act of 1946, as amended by that Act, to reflect the probable intent of Congress.

1979—Subsec. (a)(2)(A). Pub. L. 96-10 inserted reference to Federal outlays as a proportion of gross national product.

1978—Subsec. (a). Pub. L. 95-523, § 103(a), among other changes, inserted provisions relating to the annual re-

<sup>1</sup> So in original. Probably should be “is”.

port of the Council of Economic Advisers and the inclusion in the President's Economic Report of annual numerical goals for employment, unemployment, production etc., and employment objectives for certain subgroups and struck out provisions relating to the review of the Federal Government's economic program and economic conditions affecting employment in the United States.

Subsecs. (d), (e). Pub. L. 95-523, §103(b), added subsecs. (d) and (e).

1956—Subsec. (a). Act June 18, 1956, substituted “not later than January 20 of each year” for “at the beginning of each regular session (commencing with the year 1947)”.

1946—Subsec. (a). Act Aug. 2, 1946, substituted “at” for “within 60 days after”.

#### EFFECTIVE DATE OF 1946 AMENDMENT

Amendment by act Aug. 2, 1946, effective Aug. 2, 1946, see section 245 of that act, set out as a note under section 4301 of Title 2, The Congress.

### § 1022a. Medium-term economic goals and policies respecting full employment and balanced growth

#### (a) Incorporation of necessary programs and policies

In each Economic Report after October 27, 1978, the President shall incorporate (as part of the five-year numerical goals in each Economic Report) medium-term annual numerical goals specified in section 1022(a)(2)(B) of this title, and in each President's Budget submitted immediately prior thereto, the President shall incorporate the programs and policies the President deems necessary to achieve such medium-term goals and a balanced Federal budget and to achieve reasonable price stability as rapidly as feasible as provided for in section 1022b(b) of this title.

#### (b) Interim numerical goals for initial Economic Reports

The medium-term goals in the first three Economic Reports and, subject to the provisions of subsection (d), in each Economic Report thereafter shall include (as part of the five-year goals in each Economic Report) interim numerical goals for—

(1) reducing the rate of unemployment, as set forth pursuant to section 1022(d) of this title, to not more than 3 per centum among individuals aged twenty and over and 4 per centum among individuals aged sixteen and over within a period not extending beyond the fifth calendar year after the first such Economic Report;

(2) reducing the rate of inflation, as set forth pursuant to section 1022(e) of this title, to not more than 3 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report: *Provided*, That policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment; and

(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per centum or less by 1983 and thereafter, or the lowest level consistent with national needs and priorities: *Provided*, That policies

and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment.

For purposes of this subsection, the first Economic Report shall be the Report issued in the first calendar year after October 27, 1978.

#### (c) Achievement of full employment, balanced budget, zero inflation rate, and 20 per centum level of Federal outlays as a proportion of gross national product for succeeding Economic Reports

(1) Upon achievement of the 3 and 4 per centum goals specified in subsection (b)(1), each succeeding Economic Report shall have the goal of achieving as soon as practicable and maintaining thereafter full employment and a balanced budget.

(2) Upon achievement of the 3 per centum goal specified in subsection (b)(2), each succeeding Economic Report shall have the goal of achieving by 1988 a rate of inflation of zero per centum: *Provided*, That policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment.

(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding Economic Report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less, or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.

#### (d) Review by President; report to Congress; modification of timetables

In the second Economic Report after October 27, 1978, the President shall review the numerical goals and timetables for the reduction of unemployment, inflation, and Federal outlays as a proportion of gross national product, and the goal of balancing the Federal budget; report to the Congress on the degree of progress being made, the programs and policies being used, and any obstacles to achieving such goals and timetables; and, if necessary, propose corrective economic measures toward achievement of such goals and timetables: *Provided*, That beginning with the second Report and in any subsequent Reports, if the President finds it necessary, the President may recommend modification of the timetable or timetables for the achievement of the goals provided for in subsection (b) and the annual numerical goals to make them consistent with the modified timetable or timetables, and the Congress may take such action as it deems appropriate consistent with title III of the Full Employment and Balanced Growth Act of 1978 [15 U.S.C. 3131 et seq.].

#### (e) Interim numerical goals for succeeding Economic Reports

If, after achievement of the 3 and 4 per centum goals specified in subsection (b), the unemploy-