1988

April
Boskin is selected, along with Reagan’s Council of Economic Advisers (CEA) Chairman Martin Feldstein and Reagan’s Deputy Secretary of Treasury Richard Darman, as an economic adviser to the Bush campaign. The trio is expected to develop a moderate, pragmatic economic agenda. (New York Times, 4/24/1988) Boskin authors the “flexible freeze,” which suggests that, as the economy grows, freezing total spending at the rate of inflation will eventually lead to a balanced budget. The plan then provides the flexibility to boost additional outlays later. (New York Times, 12/18/1988)

Bush meets with economic advisers in Kennebunkport over Memorial Day weekend to discuss campaign strategy.

August
Baker announces on the 5th that he will resign as Treasury Secretary to head Bush’s presidential campaign effective August 17th.

Boskin and Feldstein reportedly question an optimistic campaign pledge to create 30 million jobs over eight years. Campaign adviser Robert Zoellick later explains that the estimate was not a pledge but an “aspiration.” (New York Times, 8/24/1988)

November
Bush wins the presidential election on the 8th.

December
Boskin is nominated by President-elect Bush to succeed Beryl Sprinkel as Chairman of Council of Economic Advisers (CEA). (Washington Post, 12/7/1988)

1989

January
Boskin sits in on the CEA, still under the chairmanship of Beryl Sprinkel, as President Reagan’s Economic Report for 1989 is completed. Thomas Gale Moore, one of Reagan’s council members, agrees to stay on for the first few months of the Bush administration. (New York Times, 1/4/1989)

Boskin testifies during his Senate Banking Committee confirmation hearing that he expects less than the 3.5 percent growth in GNP predicted by Reagan’s economists. Slower growth would likely have no net effect on the deficit, as slower growth would lead to less tax revenue but also
lower interest rates and a lower bill on the interest for the national debt. *(New York Times, 1/27/1989)*

**February** Michael Boskin is unanimously confirmed by the Senate on the 2nd as Chairman of the Council of Economic Advisors.

Bush unveils $90 billion Savings and Loan bailout plan on the 6th. The plan proposes to protect all federally-insured deposits by covering the deposits in the insolvent S&L’s to be closed by a newly created agency while merging the sick S&L’s with healthy institutions. It would then shift responsibility for providing deposit insurance from the FSLIC to the FDIC. To prevent future problems, the plan would shift the regulation of the thrifts from the Federal Home Loan Bank Board (FHLBB) to tougher banking agencies. Bush plans to fund the bailout by creating the Resolution Financing Corporation (RFC) to issue $50 billion in long-term, 30 year bonds. The principal on the bonds would be repaid by S&L’s and banks, largely through higher insurance-deposit premiums, while the interest would be paid in large part by the Treasury Department. Issuing the special bonds through the RFC would enable the Administration to keep the cost of the bailout “off budget.” *(Wall Street Journal, 02/07/1989)*

Boskin is joined on the CEA by Massachusetts Institute of Technology professor Richard Schmalenese to advise on macro-economic issues and Stanford colleague John Taylor to advise on micro-economic issues. *(Washington Post, 3/28/1989)*

**March** Brady introduces his “Brady Plan” on the 10th to reduce the $1.3 trillion debt of developing Third World nations by creating incentives for commercial banks to voluntarily reduce the debt of qualifying nations.

Boskin is joined by Bush economic advisers Roger Porter, Richard Breeden and Lawrence Lindsey as part of the White House’s economic team. Marking a departure from President Reagan, Bush’s in-house staff is used to supplement and evaluate the policymaking of the Treasury department and other agencies. *(New York Times, 3/26/1989)*

**April** Boskin organizes the first economic policy meeting for President Bush and a group of private economists at Camp David to discuss the fiscal year 1990 budget and the President's long-term economic policy interests. *(New York Times, 4/21/1989)*

**May** Boskin reportedly warns that “bashing” trade partners like Japan could lead to a trade war and recession. *(New York Times, 5/2/1989)*
Under strong pressure from Congress, Bush names Japan, as well as Brazil and India, as an unfair trading partner on the 25th. Bush announces he would begin talks with Japan to discuss “structural impediments to trade.” Should talks prove unsuccessful, the 1988 Trade Act, known as Super 301, would require trade sanctions against Japan in as little as twelve months.

**June**

Boskin, in opposition to additional regulations set forth by EPA Administrator William Reilly, proposes a free-market approach to ozone issues and the Clean Air Act to the Administration’s Domestic Policy Council. Under Boskin’s plan automakers and oil companies would divide responsibility for achieving the 7.1 percent cutback in hydrocarbons. Boskin estimates that this would allow companies to choose the most cost-effective technology and as a result potentially save up to $1 billion a year (Washington Post, 6/10/1989).

**August**

The House passes S&L bailout legislation 221-199 on the 3rd, placing $20 billion of the costs on budget for fiscal 1989 and $30 billion off budget for fiscal 1990 and 1991. The compromise avoids the need for a Gramm-Rudman exemption. Bush signs the S&L bailout legislation into law on the 9th. In addition to creating the Resolution Trust Corporation to oversee the cleanup of the unhealthy S&L’s, the legislation creates the Office of Thrift Supervision within the Treasury Department to take regulatory responsibilities from the FHLBB – which had been an independent agency subject to political pressures. The legislation also shifts thrift deposit insurance from the FSLIC to the newly created Savings Association Insurance Fund under FDIC control.

**November**

Boskin predicts that interest rates will fall further spurring increasing consumer demand for durable goods. (New York Times, 11/29/89)

**1990**

**January**

Boskin announces that if the President’s deficit-reducing budget is adopted, then he expects the GNP to continue to grow this quarter at a relatively low 2.2 percent rate and then rise more rapidly later in the year. (Washington Post, 1/30/1990)

Boskin works with an interagency group to improve the quality of the governmental statistics developed by the Labor, Commerce and Agriculture departments. The group’s work results in the Administration’s request of a 10% increase in spending for updating the gathering, publishing, and measuring of statistics such as the Consumer Price Index (CPI) and federal poverty level. (Washington Post, 1/26/1990)
February

Boskin responds to the question of whether President Bush’s no-new-taxes campaign promise applies throughout his first term by stating, “The President, to my knowledge, has not said that there is no conceivable possibility over a four-year term. What he has said is it is his hope that he will be able to extend this as long as possible, and we certainly hope we’ll be able to do it this year.” (Washington Post, 5/10/1990)

Boskin and the CEA release its first annual report to President Bush. The key element of the plan is that President Bush’s budget proposals for FY 1991 are implemented leading to a substantial drop in interest rates. The report also sets forth the goal of balancing the budget by 1993 and the steadily larger budget surpluses would “transform the federal government from a chronic borrower, draining the nation’s scarce saving pool, to a saver, providing funds for growth-enhancing investment.” (Washington Post, 2/7/1990)

March

Rostenkowski meets with Bush, Darman and Sununu on the 6th to announce he is planning on unilaterally proposing a deficit reduction plan on the 11th. (-Wall Street Journal, 03/14/1990)

Boskin cites the unchanged unemployed rate coupled with an overall increase in the number of payroll jobs indicates that the economy should strengthen in 1990. (Washington Post, 3/10/1990)

Boskin meets with Bush, Quayle, Sununu, Darman, Brady, and Porter on the 20th to discuss deadlocked budget negotiations.

Boskin publicly opposes Commerce Secretary Robert Mosbacher’s assertion that American manufacturers should retaliate if Japan does not open its markets. (Washington Post, 3/22/1990)

April

Boskin asserts that despite a slight dip in both the number of payroll jobs and the overall unemployment rate, the economy is growing modestly. Economists credit growth in payroll and service sector jobs over the preceding months for a 1.5 to 2 percent increase in the GNP. (Washington Post, 4/7/1990)

Boskin and Darman are reported to oppose Pentagon research that would aid commercial research and development in the U.S. Boskin and Darman’s opposition centers around ideological concerns that supporting commercial research and development would lead towards industrial policy. (Washington Post, 4/9/1990)

Boskin, Darman, and Brady work to promote the Administration’s deficit reduction plan, which would reduce tax on profits from the sale of stock,
real estate, and other assets. Boskin acknowledges the split within the business community over the deficit reduction plans. Small businesses, represented by the National Federation of Independent Business (NFIB), support a cut in Social Security taxes. Fast growing companies (whose executive compensation often is in the form of stock options) favor a capital gains cut. Big business, represented by the Chamber of Commerce, support more intensive deficit reduction plans that call for cutting spending and increasing taxes. (Washington Post, 4/11/1990)

Boskin cautions that although the numbers fluctuate, the U.S. trade deficit’s decline to $6.5 billion in February is “promising.” The deficit figure is the lowest in six years. (Washington Post, 4/19/1990)

May

Bush, Brady, Darman and Sununu meet with Mitchell, Dole, Foley and Michel on the 6th. They agree to convene expanded meetings with 26 congressional leaders at the White House with the understanding that there existed “no preconditions” concerning new taxes.

In Paris for a meeting of the economic policy committee of the Organization for Economic Cooperation and Development, CEA member John Taylor reportedly argues that "long-term interest rates in the U.S. have risen about 1 percent so far this year” as a result of the liberalization of eastern European boosting the global demand for capital. (Dow Jones News Service, 05/14/1990)

June

Bush, Brady, Darman and Sununu meet with Mitchell, Dole, Foley, Michel, and Gephardt on the 26th to produce the breakfast agreement accepting the need for “tax revenue increases.”

Bush announces the "Enterprise for the America's" initiative on the 27th to promote economic prosperity in the region.

The U.S. and Japan issue the joint SII report on the 28th in which each country identifies structural impediments to trade and commit themselves to work together to overcome those impediments.

July

Bush opens a three-day economic summit meeting of the G-7 countries in Houston on the 9th. Debate over Soviet aid remains deadlocked, as the nations instead decide to call for further study of the Soviet economy.

White House and Congressional budget negotiators reportedly reach an informal agreement to relax Gramm-Rudman and seek only $55 billion in deficit reduction in the upcoming fiscal year rather than risk a recession. (Washington Times, 07/17/1990)
Responding to similar predictions by Fed Chairman Alan Greenspan, Boskin suggests, “We believe that a major move in interest rates will occur if there is a credible, serious deficit reduction deal that is enforceable.” *(Washington Times, 07/20/1990)*

**August**

Boskin, Brady, Darman and Watkins attend National Security Council meeting to discuss the impact of Iraqi sanctions on the U.S. economy. *(Wall Street Journal, 8/7/90)*

Following an announcement that the Administration does not plan at this time to draw from the nation’s strategic petroleum reserve, Boskin reports that “the President is working very, very forcefully to encourage other countries to expand oil production to replace embargoed supplies from Iraq and Kuwait… And we will continue to explore the possible use of reserves in coordinated fashion with other nations.” *(Los Angeles Times, 08/10/1990)*

Boskin meets with Bush, Darman, and Brady on the 14th to discuss the costs of the Persian Gulf conflict and prepare for next month’s budget negotiations.

Responding to congressional questions about claims from the Environmental Protection Agency that the Clean Air Act would have little adverse job impact, Boskin says, "The President's support for this proposal was not premised on the view that its costs would be negligible. He is fully aware they may result in temporary unemployment," he wrote. "Rather, the President believes that our nation is able and should be willing to pay a reasonable price to clean its air. But the President is not prepared to see American firms, workers and consumers overcharged or to see economic growth needlessly slowed." *(Wall Street Journal, 8/29/90)*

**September**

Budget talks resume as negotiators meet at Andrews Air Force Base on the 7th.

Boskin tells Representative Philip Sharp (D., Ind.) that pending legislation to restrict textile imports would cost American consumers $30 billion over five years, falling most heavily on lower income families that spend a higher fraction of their household budgets on clothing and other affected items. *(Wall Street Journal, 9/19/1990)*

Boskin reports that the government’s estimate of how fast the U.S. economy grew in the second quarter should be revised downward to only a 0.4 percent annual rate to adjust for the Iraqi invasion of Kuwait. *(Washington Times, 9/26/90)*
Following the summit at Andrews Air Force Base, Brady, Darman, and Sununu meet with a small group of congressional leaders to produce a budget agreement that would cut the deficit by $500 billion over five years. The agreement calls for Medicare cuts and gasoline, tobacco, and alcohol tax hikes but no increase in income tax rates. Bush meets with the budget summiters in the Rose Garden on the 30th to announce the agreement. Gingrich is conspicuously absent.

*October*

Bush makes a nationally televised address in support of the budget agreement on the 2nd.

Testifying before Congress, Greenspan describes the budget summiters’ package as credible and enforceable and argues that failure to pass it could undermine an already weakened economy.

House Republicans desert the President as the bipartisan budget deal fails to pass Congress on the 5th. Democrats vote against the bill 149-108 and Republicans against 105-71. While many House Republicans oppose the provisions increasing taxes, many House Democrats reportedly oppose the cuts in Medicare programs. Congress passes a continuing resolution on the 6th to avert the sequester mandated by Gramm-Rudman-Hollings. Bush vetoes the resolution and a partial government shutdown ensues for three days. Bush signs a second continuing resolution on the 9th to reopen the government through the 19th. Bush also announces on the 9th that he would consider raising the highest income tax rate in exchange for a capital gains tax cut. However, seventeen leading Republican Senators reportedly meet with Bush to convince him to take the income tax increase off the table.

Bush signs a pair of laws on the 16th expanding the regulatory authority of the Securities and Exchange Commission to identify and punish stock market abuses.

Boskin predicts that the economy will grow less than 1 percent this year and just over 1 percent in 1991. (*Washington Times*, 10/16/1990)

Darman reportedly suggests that the budget negotiations would have been more successful had the Treasury and the CEA forecast the economy more accurately. (*Washington Times*, 10/24/90)

Congress passes a budget package designed to reduce the deficit by $492 billion in five years on the 27th. The package increases the top income tax rate from 28% to 31% and calls for smaller cuts in Medicare than the previous agreement.

*November*

Bush signs the budget package into law on the 5th.
Bush signs the Clean Air Bill on the 15th despite some reported hesitation from Boskin. The Council on Competitiveness begins work shortly thereafter reviewing regulations in the enforcement of the new law.

Bush meets with economic advisors and regulators to discuss the credit crunch on the 14th.

Boskin asserts that a crackdown by banking and thrift regulators has contributed to the emergence of the credit crunch, though he also notes the need for sound bank regulation at a time when real estate values are declining. (Washington Times, 11/20/90)

**December**

Boskin predicts that the nation's unemployment rate could rise past six percent next year. (New York Times, 12/03/1990)

*The Wall Street Journal* reports that Boskin privately estimates that the economy has been in a recession since October 1990. (Wall Street Journal, 12/04/1990)

Boskin and Sununu are reportedly opposed to an Energy Department proposal for tightening auto fuel-efficiency standards and otherwise requiring reduced oil consumption. (Wall Street Journal, 12/14/1990)

The Fed cuts the discount rate by one-half percentage point to 6.5%, which Boskin calls “a very sensible step to take.” (Wall Street Journal, 12/19/1990)

**1991**

**January**

In a “Today” show interview, Boskin admits that “it does appear that after the longest economic expansion in the peacetime history of the United States, that the economy probably has entered a recession.” He adds, though, "I believe it will be relatively short and that the worst quarter of the decline probably was in the quarter just completed on Monday." (Washington Times, 01/03/1991)

Boskin, Brady, Sununu, Clarke, Greenspan, and Porter meet with Bush to discuss the economic impact of the Gulf War on the U.S. They reportedly suggest that a short and successful war lasting roughly a month or less could clear the way for an economic recovery but that a prolonged war could be very damaging. (Wall Street Journal, 01/16/1991)

In a speech to the Transportation Research Board, Boskin reportedly signals that the Administration would fight efforts to re-regulate energy prices or profits. "We've been able to avoid thus far a repetition of the
foolish energy regulation of the 1970s that took a bad situation and made it radically worse.” (Wall Street Journal, 01/17/1991)

Bush outlines an ambitious plan to restructure the nation's banking system in the State of the Union address. Bush also calls on the Fed to study the effects of a capital gains tax cut.

Brady meets with the nation's top banking regulators on the 30th to discuss the nation's "credit crunch" problem.

**February**

The Treasury Department unveils an ambitious legislative proposal on the 5th to restructure the nation's banking and financial system. The plan includes proposals to limit deposit insurance, give banks freedom to move across state lines and enter insurance and securities markets, tear down the wall separating banking and commerce, and centralize bank regulation under the Treasury's Office of the Comptroller of the Currency and the Fed.

The Economic Report of the President issued by Boskin's office the 12th supports a controversial rule change opposed by the movie studios calling for an easing of "financial interest and syndication rules" that govern the television rerun market. (Los Angeles Times, 02/20/1991) Testifying before Congress, Boskin suggests that "with the benefit of hindsight, I think the Fed should have moved sooner" to reduce interest rates. (Los Angeles Times, 02/13/1991)

Boskin, who heads an Administration statistics task force, unveils a $230 million, five-year program on the 14th to modernize government economic statistics. The program includes plans to gather more detailed data on employment, output, prices and productivity of service industries; to use modern computer technology to improve the accuracy of monthly employment data; to strengthen measurement of international trade flows; and to adopt United Nations accounting conventions so that the U.S. can be more easily compared with other nations. (Wall Street Journal, 02/15/1991; Washington Times, 02/15/1991)

**March**

The FDIC, Federal Reserve Board, Office of the Comptroller of the Currency and the Office of Thrift Supervision issue a joint statement on the 1st aimed at resolving the nation's "credit crunch" problem. Seidman also says that the deposit insurance system might need as much as $70 billion in new resources to avoid insolvency, which he requests in part through a line of credit at Treasury and the Fed.

Bush vetoes a Democratic economic growth package on the 20th that would have raised income tax rates for the upper class. Congress fails to override the veto.
Boskin, Mosbacher, and Martin meet with three chairmen of U.S. automobile companies to discuss protection from Japanese competition. (*Wall Street Journal*, 03/26/1991)

**April**

As the unemployment rate hits a four-year high, Boskin argues, while "many of the preconditions for recovery are falling into place… those who predicted an instantaneous economic recovery following the gulf war were not being realistic… While the economy is likely to begin a turnaround sometime in the next few months, we are going to see some very mixed signals in the meantime." (*Washington Post*, 04/06/1991)

The Fed lowers its discount rate by half a percentage point on the 30th.

**May**

Boskin and Darman reportedly attempt to distance the White House from a recent White House science office report naming 22 technologies as crucial for economic prosperity as the press begins to accuse the White House of engaging in industrial policy. (*Wall Street Journal*, 05/13/1991)


**June**

As the Administration announces that it plans to provide economic aid to the Soviet Union pending continued progress towards economic reform, Boskin says the Soviet’s “goal is to get to a market economy. That much is clear. Their program is evolving but it clearly has some distance to go before it is likely to be a potentially successful blueprint for such a transition." (*Wall Street Journal*, 06/03/1991)

Richard Schmalensee and John Taylor leave the three-member Council of Economic Advisors.

Boskin, Brady, Mosbacher, and Hills attend meeting of the Organization for Economic Cooperation and Development in Paris.

The Administration requests an additional $80 billion for the S&L cleanup on the 26th, arguing that depressed real estate values have raised the projected cost.

Boskin states that, “It certainly looks like the recovery’s under way and unless something that we don’t forecast happens it does look like the recession on a national basis has ended.” (*Washington Times*, 06/28/1991)

**July**

International banking regulators seize the Bank of Credit and Commerce International (BCCI) on the 5th to investigate possible banking scandals.
The unemployment rate rises to seven percent. Boskin argues that the Bush Administration is "very much concerned about the employment rate, but we would like to see people have an understanding that this turnaround is coming. We believe the recovery has begun." (Washington Post, 07/06/1991)

Bush reappoints Alan Greenspan Federal Reserve Chairman, whose position was to expire August 11th.

An error in the formula the Treasury uses to predict federal tax receipts forces the White House to increase its forecast of the budget deficit by $21.2 billion this year and $113.9 billion over five years. (Wall Street Journal, 07/18/1991)

**September**

Bush nominates David Bradford and Paul Wonnacott to fill vacancies in the three-member Council of Economic Advisors. If confirmed by the Senate, Bradford would succeed Schmalensee and Wonnacott would succeed Taylor.

Boskin criticizes a House bill extending unemployment benefits by $6.3 billion for breaking the budget agreement and threatening to retard economic recovery by adding to the deficit and raising interest rates. (Wall Street Journal, 09/18/1991)

Bush meets with Economic Policy Council and the nation's top banking regulators on the 27th to discuss the nation's credit crunch problem and stalled economic recovery.

**October**

The Bush Administration and Federal Reserve Board officials begin to discuss the possibility of easing bank capital regulations to spur bank lending. (Wall Street Journal, 10/01/1991)

Boskin is reported to serve on a cabinet-level panel convened by Interior Secretary Manuel Lujan to study whether the Endangered Species Act should be overridden to allow timber harvesting on land inhabited by the Northern spotted owl. (Los Angeles Times, 10/02/1991)

Bush approves a Treasury “credit crunch” initiative on the 8th to loosen real estate loan standards and promote an appeals process for bankers. (Wall Street Journal, 10/09/1991)

Following a presidential veto of legislation expanding unemployment benefits, Bush and Republican congressional leaders agree on the 17th to push forward a tax cut package aimed at promoting economic recovery. Favoring strong cuts are Gramm, Gingrich, Kemp, Quayle, and
Mosbacher. Boskin, Brady, Sununu, Darman, Porter, Dole, Michel, and Domenici reportedly oppose the proposal.

Bentsen appears on *Face the Nation* on the 20th to propose a lower and middle class tax cut package funded in part by deep cuts in defense spending.

Rostenkowski, fearing a destructive tax-cut bidding war between the parties, telephones Bush to argue against the proposal. On the 25th, Bush announces that he would not get "caught up in some meat grinder on taxes" in order to short-circuit the tax-cut bidding war. (*Wall Street Journal*, 11/08/1991)

Greenspan cuts the Fed's interest rate by 1/4 percentage point on the 30th.

**November**

The House defeats a banking reform bill 324-89 on the 4th under heavy lobbying by the Administration, which reportedly felt the bill had become too restrictive of the banking industry.

Former-Bush Attorney General Richard Thornburgh loses the Pennsylvania Senate election on the 5th.

Appearing on *Face the Nation*, Kemp argues, "I think the time is ripe personally... to have a joint Bush and congressional tax rate reduction." (*USA Today*, 11/12/1991)

Bush calls on banks to cut their credit card interest rates, sending shock waves through the banking industry and financial markets. Senator D'Amato shortly thereafter initiates legislation to cut interest rates to 14%.

Bush, Boskin, Brady, Darman, and Quayle meet with a group of economists on the 22nd to discuss the economy but are reportedly unable to reach a consensus.

Gingrich pushes forward with an economic growth package on the 22nd that includes a capital gains tax cut and other measures designed to promote savings, home ownership, and real estate investment. Bush, who had publicly opposed such legislation, announces he "enthusiastically" supports the package and called for immediate action.

Eighty-one House Republicans sign a letter calling for Bush to name Kemp "domestic policy czar."

Congress passes legislation tightening banking regulations and allowing the FDIC to borrow up to $30 billion to avoid insolvency. Bush subsequently signs the bill into law.
On the last day of the session, Bush reportedly calls Rostenkowki and asks for Congress to break without voting on the Gingrich package. Bush says instead he would put forward an economic growth package at the State of the Union.

**December**

Government reports that 241,000 payroll jobs were lost in November.

Speaking at an American Enterprise Institute forum, Boskin argues that the government could design a tax cut to promote economic recovery that, though widening the deficit, would not provoke a sharp rise in interest rates if “enacted in a context of fiscal discipline.” One specific suggestion might be to reduce taxes on capital gains. Boskin notes, however, that he is not necessarily suggesting that Bush should lead a fight for strong tax cuts. (*Wall Street Journal*, 12/05/1991)

House Democratic leaders begin congressional tax hearings on the 4th. Boskin, Brady, and Darman are called to testify, who provide lukewarm support for Gingrich’s growth package. Brady, Darman, and Boskin are called in to testify before the Senate the following week.

The Fed lowers the discount rate to 4%.

Sununu resigns as White House Chief of Staff on the 3rd. Bush appoints Skinner as his new Chief of Staff on the 5th.

Bush announces on the 14th that he and President Salinas of Mexico have agreed to renew their commitment to conclude a sweeping free trade agreement despite fundamental disagreements on access provided to U.S. banks and oil companies in Mexico.

Boskin meets with Skinner, Darman, Brady and Porter to discuss the credit crunch. Bush also begins to hold a series of meetings on the 1992 budget. (*Washington Times*, 12/21/1991)

**1992**

**January**

The U.S. reaches a trade agreement with Japan on the 9th calling for the increased sale of U.S. automobiles to Japanese markets.

Bush presents an economic-stimulus plan to Congress in his State of the Union address on the 28th. Proposing tax breaks for real estate, families with children and corporate investments, Bush calls on Congress to pass his plan by March 20th. (*Administration of George Bush*, 01/28/1992) Bush also asks major cabinet departments and federal agencies to institute a 90-day moratorium on any new regulations that could inhibit growth and
speed-up pro-growth expenditures. Boskin and C. Boyden Gray are reported to head a working group to lead the regulatory review.

Bush names Clayton Yeutter as his new Counselor for Domestic Policy on the 31st. The Domestic and Economic Policy Councils are replaced by a Policy Coordinating Group to be chaired by Yeutter in Bush’s absence.

**February** Kemp publicly criticizes Bush’s stimulus plan for relying on “gimmicks” such as tax credits despite the plan’s inclusion of a capital gains cut. Kemp later apologizes.

Boskin calls on the Fed to lower interest rates if the economy is not noticeably stronger soon.

Testifying before the congressional Joint Economic Committee on the Economic Report of the President on the 6th, Boskin argues that the Fed "should be prepared to" ease monetary policy again if "the economy does not appear to be improving" over the next several weeks. *(Wall Street Journal, 2/07/1992)*

Congress approves legislation for a 13-week extension of unemployment benefits reportedly supported by the White House.

**March** Bush publicly declares on the 3rd that accepting the 1990 budget deal with Congress was a “mistake.”

Boskin argues that, "We've had two months of noticeable improvement after a very flat period late last year... This is consistent with the early stages of a recovery which the [Bush] administration and the bulk of private forecasters believe is on the way." *(Washington Post, 03/22/1992)*

**April** Speaking before the National Economists Club, Boskin criticizes a proposal by six Nobel Laureates and 94 other economists that calls for an increase in federal spending to help fuel economic recovery. Boskin argues the plan would increase the budget deficit and trigger rising interest rates. *(Wall Street Journal, 04/01/1992)*

The Bush Administration announces on the 24th that banks would no longer be held liable for environmental damage uncovered on the property of a borrower that later defaults. Boskin says that the easing of regulations "will result in the freer flow of hundreds of billions of dollars of capital over a period of time." *(Washington Post, 04/25/1992)*

The Bush Administration extends the regulatory reform moratorium for 120 days.
May

The Bush Administration’s committee on endangered species votes 5-2 to allow logging in parts of Oregon's forests that had been preserved for the spotted owl, provided that the Bureau of Land Management adopts a long-term plan to protect the estimated 3,000 remaining pairs of spotted owls in Oregon, Washington and northern California. The committee reportedly estimates that the exemption would save roughly 1,000 logging jobs in the region. Boskin reportedly votes in favor of the exemption. (Wall Street Journal, 05/15/1992)

June

Bush attends “Earth Summit” in Rio.

Testifying in a House hearing on the 24th on a machinists union strike against CSX Corporation’s rail unit, Boskin warns, "The rail strike is a more serious problem for an economy that is not yet improving at a pace that any of us would deem sufficient." Estimating that the economy will lose $1 billion each day the industry shutdown continues, Boskin argues that "a prolonged strike could well push the economy into negative growth." (Wall Street Journal, 06/25/1992)

July

The government announces on the 2nd that unemployment has risen to its highest point since 1984. The Fed subsequently lowers interest rates by one-half percentage point to its lowest level since 1963. (Wall Street Journal, 07/03/1992)

Bush meets with Boskin, Brady, Darman, Yeutter and Skinner on the 20th to discuss the status of the recession.

September

Bush gives speech to the Detroit Economic Club on the 10th presenting his "Agenda for American Renewal."

October

Fitzwater announces that the Bush Administration would “be getting a new economic team” headed by Baker if reelected to a second term. (Wall Street Journal, 10/13/1992)

November

Clinton wins the 1992 presidential election on the 3rd.

Following a breakdown in trade negotiations with EC officials over agricultural subsidies, the U.S. threatens on the 5th to impose a 200% duty on wine imports effective December 5th. The duty is specifically targeted at France, which is one of the EC’s major proponents of continued subsidies.

The U.S. and EC avert a trade war on the 20th as the EC agrees to reduce its level of agricultural subsidies – particularly to oilseed farmers. The formal deal is finalized on December 3rd, as the EC is set to vote on the deal February 9th.
January 1993

The Council of Economic Advisers warns in its final annual report about the dangers of too much government interference in the marketplace. *(Wall Street Journal, 01/13/1993)*
Michael J. Boskin Suggested Topics

Prior Political Experience: Advising Congressional leaders and committees, such as House Ways and Means and Joint Economic. Advising Democrats as well as Republicans.


Getting Started at the CEA: Confirmation process. Staffing and organization of Council. Responsibilities as chairman. Roles and responsibilities of the other two members of the Council.

Role of CEA in the Bush Administration: With which members of the White House staff did you work most closely? Relationships with Darman, Sununu, and Brady. Relationships with key agencies such as Treasury, OMB, Labor, Commerce, and Agriculture. Interaction with the Federal Reserve and Chairman Alan Greenspan. Participation in interagency groups such as the Council on Competitiveness. Task force on government statistics. 1992 regulatory moratorium and work with C. Boyden Gray. Other work promoting deregulation.


The Council’s work on trade issues. NAFTA. U.S.-Japan Structure Impediment Initiative. Work on global economic issues. Economic policymaking in the Bush Administration—where did CEA fit in?

1992 Presidential Campaign: Was there any change in your responsibilities? Did you expect to stay on into the next term?

Retrospective: Strengths and weaknesses of the Bush Administration. Assessment of the Bush economic record. How should the Bush presidency be viewed in history?
Timelines


Council of Economic Advisers


News Articles


• Key Economic Legislation Passed During the Bush Administration, prepared by Rob Martin and Hannah Bradley St. Leger, The Miller Center of Public Affairs, University of Virginia, 6/6/2001.
Selected Writings by Michael Boskin


Public Statements of Government Officials


