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# The United States in the World Economy



National  
Bureau of  
Economic  
Research

Edited and with an Introduction by

**Martin Feldstein**

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**Sebastian Edwards**

**Thomas O. Enders** □ **Jesus Silva-Herzog**

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**Robert E. Baldwin**

**Robert S. Ingersoll** □ **Woo-choong Kim**

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**Robert E. Lipsey**

**Mario Schimberni** □ **Robert V. Lindsay**

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**Jeffrey A. Frankel**

**Saburo Okita** □ **Peter G. Peterson** □

**James R. Schlesinger**

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# The United States in the World Economy



**A National Bureau  
of Economic Research  
Conference Report**

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# The United States in the World Economy

Edited and with an Introduction by

**Martin Feldstein**



The University of Chicago Press

Chicago and London

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MARTIN FELDSTEIN is the George F. Baker Professor of Economics at Harvard University and president of the National Bureau of Economic Research. He is the author of *Inflation, Tax Rules, and Capital Formation* (1983) and the editor of *The American Economy in Transition* (1980), *Behavioral Simulation Methods in Tax Policy Analysis* (1983), *The Effects of Taxation on Capital Accumulation* (1987), and *Taxes and Capital Formation* (1987), all published by the University of Chicago Press for the National Bureau of Economic Research.

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Since this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).



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# Preface

This volume brings together the results of a very unusual conference organized by the NBER in March 1987. As a background for this conference, nine academic economists prepared nontechnical background papers on different aspects of the changing role of the United States in the world economy. At the conference itself, the discussion of each of these subjects was launched by prepared personal statements by individuals who have played leading roles in government or business in either the United States or a foreign country. A detailed summary of the discussion at the conference is also included in the volume.

Eight of the nine background papers were written by research associates of the NBER. Their analyses reflect ongoing work in the bureau's International Studies program. William Branson, director of that program, played a key role at an early stage in planning the subjects of this conference.

The authors of the background papers met as a group on two occasions before the final conference to discuss the approach to be taken in each paper and to review critically the preliminary drafts. Each of the authors also benefited from the comments of an outside reviewer who examined his or her paper.

The nineteen individuals who prepared the remarks that launched the individual sessions included several former cabinet members from the United States, Japan, and Mexico, two former U.S. ambassadors, and the chief executive officers of leading businesses in the United States, Europe, and Korea. Their willingness to share their experiences and to participate throughout the conference made for a uniquely interesting series of discussions. The summaries of the discussions were prepared by Andrew Berg.

I am grateful to the Andrew Mellon Foundation for financial support of this conference and of the research presented in the background papers. I am grateful also to the members of the NBER staff for their assistance with all of the details involved in the planning and execution of the meeting and this volume, particularly to Kirsten Foss Davis, Ilana Hardesty, Mark Fitz-Patrick, and Carolyn Terry.

*Martin Feldstein*