The Congress acted much sooner than many of us had expected and passed a bill which at 1965 levels of income will have reduced federal tax receipts by an estimated $13.5 billion, a level of tax cut which most economists applauded very enthusiastically. In any case too, there had been in the economy, particularly in the latter half of 1962 and in parts of 1963, suggestions of hesitation, at least, in the advance of the recovery and progress toward full employment, if not suggestions of imminent recession.

In the fall of 1964 the tax bill is history and the record of the economy as we review it over the period of the last 44 months is a very encouraging one, although there is still, I think, a good deal that needs to be done. Let me review just briefly where we have come in this period of 40-odd months. Looking first at total employment as a measure of economic advance or progress, we find that in 1961 average total employment was 67 million. In October of 1964 the figure is 71 million. And the figure for 1964 as a whole will average close to that. So, we have been adding approximately a million jobs a year; quite a remarkable performance, I think, but perhaps a performance upon which we are going to have to improve in light of the fact that in the remainder of the decade of the 1960's, the labor force--those seeking jobs--will expand at a substantially more rapid rate than has been true in the course of the last decade.

In any event, adding a million jobs a year meant that with only about 3/4 of a million people entering the labor force each year we have in this past 4 years managed to cut unemployment down from a peak of over 7 percent and an average for 1961 of 6.7 percent to just over 5 percent. We actually hit a level just under 5 percent--barely under 4.9 percent in late summer, something we have not been able to do for some 5 years. So that, in terms of employment again, and in terms of reduction in unemployment, we have made substantial progress. If you look at industrial production, again the record is a very bright one and a very encouraging one. We have moved from an index of industrial production in which the base period is 1957 to 1959, from a level of under 110--109.7 to a current level of about 134, an increase in industrial production proceeding at an average rate of some 5 percent per year, which is among the most impressive records ever achieved in the economy.

If you look at another measure of economic progress you find that in examining gross national product we hit a recession low in early 1961, of GNP at an annual rate for the first quarter of 1961, of