and I think has helped me to arrive at some forecasts which have turned out to be moderately accurate.

I want to call attention to just a few of these before this committee, only for the reason that this has a bearing upon what I shall say about the future now.

In 1954, before this committee and elsewhere, I forecast an average annual economic growth rate of 2½ percent from 1953 through 1960, which turned out to be accurate, and also forecast the growing levels of unemployed plant and manpower which would result. This, also, turned out to be reasonably accurate and, therefore, more or less vindicated my assumed needed growth rates, because if my assumed needed growth rates had been too high, the actual unemployment of plant and manpower would have been lower than my forecasts.

Second, in 1957, before this committee and elsewhere, when people were generally concerned about inflation, I was very concerned about the oncoming recession, which very shortly thereafter appeared, and similarly in early 1960. In early 1961, before this committee and elsewhere, and in a publication in May 1961, and in a meeting with about 150 Members of the Congress, I said that I thought that, with the policies then in being, the economic growth rate under the new administration would be no better than under the old one, for the simple reason that in my nonpolitical view you could not change an economy much without changing policies much. I said that I thought that the economic growth rate in 1961 and in 1962 would be only about half as high as what we would need to get back to reasonably full employment and production; that it would probably be the shortest recovery of all; and that it would probably convert into stagnation and recession more quickly than the others because of the cumulative effect of the uncured imbalances. Unfortunately, this has come to pass to date, though the recession still lies ahead.

Senator BUSH. You are speaking of the current recovery?

Mr. KEYSERLING. I am saying that the current recovery is the weakest since World War II.

Senator BUSH. You are not indicating that you think it is finished, are you?

Mr. KEYSERLING. I will deal with that specifically in my statement, Senator.

Senator BUSH. All right.

Mr. KEYSERLING. In support of my feeling that we need immediate and extensive changes in national economic policies—this is my first point—U.S. economic performance has been highly unsatisfactory since early 1953. Since then to date, our average annual growth rate has been only about 60 percent of the needed rate; we have at no time had maximum employment and production; and, through a recurrent pattern of inadequate upturns, recessions, and stagnations, we have moved inexorably in the long run toward rising levels of idle manpower and plant.

In second quarter 1962, the true level of unemployment averaged about 6.5 million, or almost 9 percent of the civilian labor force, taking into account full-time unemployment, the full-time equivalent of part-time unemployment, and the concealed unemployment representing inadequate growth in the labor force due to scarcity of job opportunity. I will demonstrate that in detail with my charts.