Mr. HAYES. Yes, I have, Mr. Chairman.

Mr. Chairman and members of the committee: The United States has achieved, thus far in 1962, a substantial expansion in domestic economic activity as well as a further improvement in its international payments position.

During the first half of 1962, production, employment, and incomes all achieved record levels. Available data for July clearly indicate that the expansion is continuing.

Nevertheless, it must be admitted that progress in speeding up the country's rate of economic growth has been less rapid than many of us considered possible at the beginning of the year, and in our international accounts we cannot be satisfied until the balance-of-payments gap has been eliminated.

Economic performance must be appraised not only against the past, but also against what might be achieved if we made reasonably full use of human and material resources. Measured by this latter yardstick, our recent performance cannot be rated wholly satisfactory. Although the percentage of people out of work has dropped substantially during the current upswing, I do not question that we must aim for a more ambitious target. In short, unemployment has been and remains too high.

Business outlays on new plant and equipment must expand sharply if the economy is to move into higher ground. Business investment has, in fact, rebounded smartly from its recession lows, but in this vital area, too, the rate of improvement has been short of the need.

An important stimulus has now been given to business investment by a revision in the depreciation schedule, and another would be provided by the enactment of the investment credit proposal now before Congress.

These changes, and the promise of reduced corporate tax rates next year, are desirable not only as likely to produce expansion in the economy but also as a means to achieve greater productivity and lower costs in an increasingly competitive world market.

We are concerned that the forward thrust of the economy has been losing some of its force, even if one excludes from consideration the temporarily depressing effects of the unraveling of the steel situation.

On the other hand, the generally stable level of prices, coupled with unused industrial capacity at home and ready availability of goods from abroad, has militated against the accumulation of large inventories as a hedge against shortages and higher prices.

The fact that we have avoided excessive inventory accumulation during the current expansion is encouraging, since it diminishes the danger that such accumulation might set off a recessionary movement or contribute to such a movement, if the business tide should turn for other reasons.

Throughout the current business expansion, and despite some criticism at home and abroad, the Federal Reserve has maintained conditions of monetary ease.

As a matter of fact, an examination of business annals is unlikely to produce another example of a strong recovery proceeding so far in an atmosphere of ready availability of credit. Large amounts of bank reserves have been made available, more than offsetting the losses