

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

June 15, 1963

MEMORANDUM FOR THE PRESIDENT

Subject: Milestones in the "Kennedy Expansion"

Attached is a table giving the history of economic recoveries (economic expansions) in the past. On the basis of that history, here are the milestones of the Kennedy recovery (counting March 1961 as the first month of expansion):

1. May 1963: It surpassed the average age of peacetime economic expansions since 1900 (26 months).
2. July 1963: It will surpass the average age of peacetime expansions since World War I (28 months).
3. November 1963: The expansion will surpass the average life of our postwar recoveries (32 months, leaving out the Korean War expansion).
4. April 1964: The recovery will be the longest peacetime expansion since World War I; in fact, the longest since the Civil War, the longest in a century, in fact, the longest in recorded U.S. economic history -- except for the 50-month expansion of 1933-37 which still left us with 14 percent unemployment and therefore really shouldn't count.

The 50-month recovery of 1933-37 is a pesky exception to handle, semantically. The best Sylvia Porter and I have been able to come up with so far on a recovery that continues through April 1964 is this: "The longest peacetime expansion since the Civil War, leaving aside the long climb out of the Great Depression of the Thirties," or, "Except for wars and the Great Depression, the longest economic expansion in history." We'll keep working on a better formulation.

Walter W. Heller