

Chairman PATMAN. Our next witness will be Mr. James Wishart, research director of the Amalgamated Meat Cutters and Butchers of North America.

STATEMENT OF JAMES WISHART, DIRECTOR, RESEARCH DEPARTMENT, AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN (AFL-CIO)

Mr. WISHART. I hope that my statement itself may be addressed to the question which the Senator from New York raised here, concerning the negative elements within the economy, which do give some cause for concern.

Conflicting trends mark both the state of the economy generally and of the industries in which the 370,000 members of the Amalgamated Meat Cutters and Butcher Workmen are employed.

In both the National economy and in our own industries, output recently has reached alltime high levels.

Seasonally adjusted gross national product running at a \$552 billion annual rate, industrial production now 17.8 percent above its 1957 base, and civilian employment peaking out in July at more than 69.5 million—all establish new high records of national achievement.

At the same time, cause for grave concern exists over the future. Even the record breaking \$552 billion of gross national product reported for the second quarter of this year falls far short of the \$570 billion level for 1962 and the \$600 billion rate for the first months of 1963 predicted by the Council of Economic Advisers.

The basic facts show that in the first half of 1962, the pace of recovery slowed down to a tempo substantially below any desired normal rate of national growth.

This is indicated by the table below showing quarterly gains in seasonally adjusted gross national product expressed in constant 1961 dollars.

	<i>Percent gain</i>
1st quarter to 2d quarter, 1961.....	2.1
2d to 3d quarter, 1961.....	1.3
3d to 4th quarter, 1961.....	2.9
4th quarter to 1st, 1962.....	.9
1st to 2d quarter, 1962.....	.7

This suggests a growth rate for the full year 1962 which could be even less than a 3-percent increase.

The pace of recovery from the trough of the recent recession compares with increases over similar time spans in two previous recessions as follows:

Percentage gains in real gross national product (seasonally adjusted)

<i>Period:</i>	<i>GNP increase (percent)</i>
1961: 1st to 1962 2d quarter.....	8.5
1958: 2d to 1959 3d quarter.....	10.1
1954: 3d to 1955 4th quarter.....	10.7

The wave of recovery seems to be cresting out and breaking even sooner than in these previous periods of recession. The present phase of recovery could be only an interlude between the recession of 1961 and the recession of 1963.