the long-term problem contributes substantially to improving the short-term outlook. Unfortunately, the converse is not equally true.

I recommend this approach to your consideration. It is a practical resolution of the dilemma posed by the barriers to growth involved in the present tax system, and the inflationary effects of tax-reduction involving substantial and persistent government deficits.

(Tables acompanying Mr. Hagedorn's statement follow:)

TABLE A.—*Gross national product and related totals*

[In billions of dollars]

Year	Gross national product	Disposable income	Consumption expenditures	Compensation of employees	Corporation profits after tax	Business expenditures for plant and equipment	Government expenditures [1]
1947	$234.3	$170.1	$165.4	$128.8	$18.2	$20.6	$43.8
1948	259.4	189.3	178.3	141.0	20.5	22.1	51.0
1949	258.1	189.6	181.2	140.8	16.0	19.3	59.5
1950	284.6	207.7	195.0	154.2	22.8	20.6	61.1
1951	329.0	227.4	209.8	180.3	19.7	25.6	79.4
1952	347.0	238.7	219.8	195.0	17.2	26.5	94.7
1953	365.4	252.5	232.6	208.8	18.1	28.3	102.0
1954	363.1	256.9	238.0	207.6	16.8	26.8	96.7
1955	397.5	274.4	256.9	223.9	23.0	28.7	98.6
1956	419.2	292.9	269.9	242.5	23.5	35.0	104.3
1957	442.8	308.8	285.2	255.5	22.3	37.0	115.3
1958	444.5	317.9	293.2	257.1	18.8	30.5	126.6
1959	482.8	337.1	313.5	278.4	23.7	32.5	131.6
1960	503.4	349.4	328.5	293.7	22.7	35.7	136.8
1961	518.7	363.6	338.1	302.2	23.3	34.4	149.3
1962	[2] 548.5	[2] 378.6	[2] 352.6	[2] 318.4	[3] 25.6	[2] 36.3	[2] 158.7

[1] Purchases of goods and services, transfers, interest, and subsidies.
[2] 1st half estimate.
[3] 1st quarter estimate.

Source: U.S. Department of Commerce; Council of Economic Advisers.

TABLE A–1.—*Various economic magnitudes as a percent of gross national product*

Year	Disposable income	Consumption expenditures	Compensation of employees	Corporation profits after tax	Business expenditures for plant and equipment	Government expenditures [1]
1947	72.6	70.6	55.0	7.8	8.8	18.7
1948	73.0	68.7	54.3	7.9	8.5	19.7
1949	73.5	70.2	54.6	6.2	7.5	23.1
1950	73.0	68.5	54.2	8.0	7.2	21.5
1951	69.1	63.8	54.8	6.0	7.8	24.1
1952	68.8	63.4	56.2	5.0	7.6	27.2
1953	69.1	63.7	57.1	5.0	7.7	27.9
1954	70.8	65.5	57.2	4.6	7.4	26.6
1955	69.0	64.6	56.3	5.8	7.2	24.8
1956	69.9	64.3	57.8	5.6	8.3	24.9
1957	69.7	64.4	57.7	5.0	8.4	26.0
1958	71.5	66.0	57.8	4.2	6.9	28.5
1959	69.8	64.9	57.7	4.9	6.7	27.3
1960	69.4	65.3	58.3	4.5	7.1	27.2
1961	70.1	65.2	58.3	4.5	6.6	28.8
1962	[2] 69.0	[2] 64.3	[2] 58.0	[3] 4.7	[2] 6.6	[2] 28.9

[1] Purchases of goods and services, transfers, interest, and subsidies.
[2] 1st half estimate.
[3] 1st quarter estimate.

Source: U.S. Department of Commerce, Council of Economic Advisers.

Chairman PATMAN. Thank you, sir. Our next witness is Mr. John K. Langum. Mr. Langum, you have a prepared statement, I believe. You may proceed in your own way.