

Mr. ACKLEY. Subtract 2.7. It would be roughly 4.3 percent.

Mr. ULLMAN. I don't think you people are the best salesmen in the world. Let's turn to table 3 of your testimony, Mr. Secretary, in which you compare tax liabilities in 1963 against these proposals to get at the other side of the coin.

The second thing we have to tell the individual is that they are paying less taxes now than they were 3 years ago because I think there isn't one person in 10 that believes that he is. I haven't talked to anybody yet who has recognized that he has a tax reduction.

Secretary FOWLER. There are other taxing jurisdictions, Mr. Ullman. There are State governments and local governments, and this table is concerned with what this committee and the Finance Committee and the Congress and the administration have been doing in the field of Federal taxes.

Mr. ULLMAN. That is right because their total tax bite probably has increased; has it not? Do you have figures on that?

Secretary FOWLER. I don't have figures on that.

Mr. ULLMAN. I wish we did because the individual doesn't differentiate too much between who he pays the taxes to, but adds up his total tax bill and it is pretty high.

Mr. ACKLEY. I think it should be pointed out that this disposable income that I was using is after all taxes, Federal, State, and local, and it has continued to rise even in constant prices.

Mr. ULLMAN. They are after all. That is very important.

Mr. ACKLEY. I should point out that people's judgment of their tax load is influenced by the fact that at the same time as tax rates have fallen their incomes have been rising, so that the man who is now paying tax at a given income level is comparing his taxes with several years ago when his income was also lower.

Mr. ULLMAN. But these figures you gave me are after all taxes, including property taxes; is that right?

Mr. ACKLEY. Yes, that is right; after all taxes.

Mr. ULLMAN. You are sure of that concerning those figures Mr. Fowler gave us?

Mr. ACKLEY. The figure I quoted are after all taxes. Disposable personal income is after income and payroll taxes, the direct taxes. When you deflate, you take out the effect of the indirect taxes because they are reflected in prices.

Mr. ULLMAN. Is that true of the figures—

Secretary FOWLER. Mine were not in terms of disposable income. It involves that qualification. They were before taxes.

Mr. ULLMAN. Then that leaves me confused because I was relying on the Secretary's figures and I would like to know how to adjust those.

Mr. ACKLEY. We do not have income after taxes by specific groups in the population.

Mr. ULLMAN. We have a 4.3-percent increase. There might very well have been a greater increase than that in taxes, so if we are talking about after taxes there might very well be a reduction in individual income today.

Mr. ACKLEY. No; the figures which the Secretary gave you I think were 7 percent for total personal income before correction for price increase, about 4.3 percent for personal income after price increase, and the figure I gave you earlier for per capita income in constant