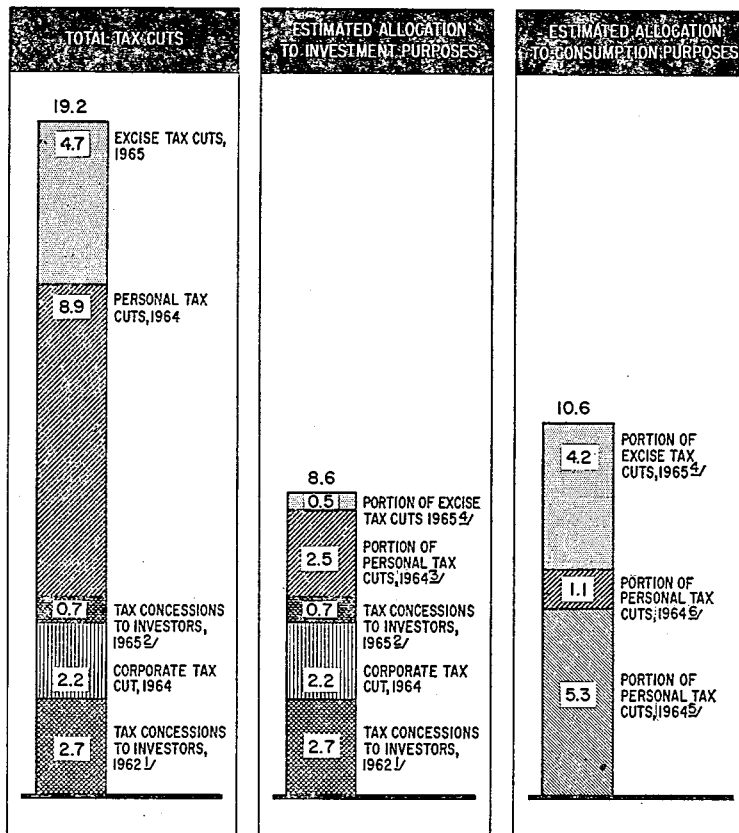


Chart 8

ALLOCATION OF TAX CUTS, 1962-1965: INVESTMENT AND CONSUMPTION PURPOSES

(Billions of Dollars)



^{1/} Through Congressional & Executive Action

^{2/} Through Executive Action

^{3/} Estimated portion of personal tax cut, for those with incomes of \$10,000 and over, which they would save for investment purposes.

^{4/} Based on estimates of excise tax cuts passed on to consumers through price cuts.

^{5/} Personal tax cuts for those with incomes under \$10,000.

^{6/} Estimated portion of personal tax cuts for those with incomes of \$10,000 and over, which they would spend for consumption.

Note: Estimates of excise tax reduction allocation by C.E.R. (amount might be passed on to consumers by price reductions). However, a large portion of this did not go to low income consumers.