67

POTENTIAL ECONOMIC GROWTH OF THE UNITED STATES DURING THE NEXT DECADE

MATERIALS PREPARED

FOR THE

JOINT COMMITTEE ON THE ECONOMIC REPORT

BY THE

COMMITTEE STAFF

Printed for the use of the Joint Committee on the Economic Report

JOINT COMMITTEE ON THE ECONOMIC REPORT

(Created pursuant to sec. 5 (a) of Public Law 304, 79th Cong.)

JESSE P. WOLCOTT, Michigan, *Chairman*

RALPH E. FLANDERS, Vermont, *Vice Chairman*

RICHARD M. SIMPSON, Pennsylvania
HENRY O. TALLE, Iowa
GEORGE H. BENDER, Ohio
EDWARD J. HART, New Jersey
WRIGHT PATMAN, Texas
RICHARD BOLLING, Missouri

ARTHUR V. WATKINS, Utah
BARRY GOLDWATER, Arizona
FRANK CARLSON, Kansas
JOHN SPARKMAN, Alabama
PAUL H. DOUGLAS, Illinois
J. WILLIAM FULBRIGHT, Arkansas

GROVER W. ENSLEY, *Staff Director*

JOHN W. LEHMAN, *Clerk*

II

LETTERS OF TRANSMITTAL

OCTOBER 27, 1954.

To Members of the Joint Committee on the Economic Report:

For the information of members of the Joint Committee on the Economic Report and others interested, there is transmitted herewith an analysis by the committee staff of the potential economic growth of the United States during the next decade. It is understood, of course, that these materials do not necessarily represent the views of the committee or of any of its individual members.

JESSE P. WOLCOTT,
Chairman, Joint Committee on the Economic Report.

OCTOBER 26, 1954.

Hon. JESSE P. WOLCOTT,
    House of Representatives, Washington, D. C.

DEAR MR. WOLCOTT: The economic growth of the United States during the past half century has been phenomenal. There is every reason to believe that economic growth should continue at a rapid rate.

Population is expected to increase one-fifth between 1953 and 1965: The changing composition of the population will represent an additional significant force for economic expansion. Continued intensive research and development should make possible an increase in output per man-hour of nearly 40 percent in this period. Hours of work can be expected to continue to decline. Total national output in 1965 should reach $535 billion—an increase of 50 percent from present rates.

In order to keep pace with growing population, rising living standards, and competitive pressures, private business will need to increase its annual rate of investment, and traditional Government services for education, highways, and the like will have to be expanded. These, together with consumer spending would at slightly higher rates of personal income than in the recent past provide adequate demand to assure balanced economic growth during the next decade.

The projections recognize that there will continue to be moderate economic fluctuations between now and 1965. For example, the year 1954 is running somewhat below—just as the early months of 1953 were probably above—the long-run growth trend line. But the projections do not make allowance for the economic effects of either depression or war.

This rate of growth can be expected to take place, largely automatically, through the workings of our strengthened and expanded free private enterprise system. However, as in the past, there will need to be adjustments from time to time in public programs to facilitate maximum economic growth. Our monetary and fiscal policies must be kept flexible, and competition must be constantly strengthened. The Employment Act machinery and improved skills

III

and techniques in the private area will facilitate the formulation of
constantly improved economic policy.

In discussing the optimistic outlook for the next decade before the
National Security Industrial Association, President Eisenhower stated
the challenging problem of economic policy in these words:

> But we must not rest. In our economy, to stand still is to fall behind. Our
> labor force is growing. Productivity is rising. We must do more than simply
> to plan against trouble or accept unemployment at its present level. Rather,
> we must advance toward and beyond the goal I mentioned earlier—within 10
> years, a national production of $500 billion.

The materials in this study are the result of the continuing responsi-
bility of the staff to keep abreast of the best professional thinking
concerning the longer-run tendencies of the economy. The first draft
of this report was prepared at the invitation of the Conference of
Business Economists and reviewed by that group last June. The
materials were revised to incorporate suggestions and distributed to
some 150 economic analysts inside and outside the Government for
comment. Much of the data and analysis was discussed with the
Graduate School for Bank Officers of the University of Wisconsin in
August, the Committee on Business Policy of the National Planning
Association in September, and other groups.

It is believed that as a result of an extensive process of discussion and
review these materials now represent a consensus of what leading eco-
nomic analysts at this time consider to be reasonable assumptions for
use in private and public planning for the decade ahead. The responsi-
bility for combining the various opinions and suggestions as to assump-
tions and estimates into a consistent analysis, however, lies with the
committee staff. The principal work of preparing the report has been
done by James W. Knowles, but John Lehman, William Moore, and
I have actively participated in each phase of the study.

GROVER W. ENSLEY, *Staff Director.*

CONTENTS

LIST OF TABLES

LIST OF CHARTS

POTENTIAL ECONOMIC GROWTH OF THE UNITED STATES DURING THE NEXT DECADE

As background for Joint Economic Committee consideration of the economic outlook and its policy implications, the committee staff has, at intervals, summed up existing materials on the longer-run growth potentials of the economy. One result of these efforts was The Sustaining Economic Forces Ahead, which examined some of the forces likely to be operating between 1952 and 1960.[1] The present report gives the results of a new review of long-run trends extending over a decade to 1965.

A vast literature is being built up on techniques and uses of economic "forecasting." Only recently a book was released, entitled "Determining the Business Outlook," containing the contributions of over 20 of the Nation's foremost economists and showing, in the words of the publisher, "how business forecasting can be most accurately done." [2] There is now coming off the press 2 volumes reporting the proceedings of sessions on long-range and short-range economic forecasting held by the Conference on Research in Income and Wealth.[3] "Forecasting" is, in a sense, an unfortunate word. While perhaps describing the work of many private and business economists, it does not adequately describe the type of work performed by most Government analysts. Public endeavors, and many private ones as well, are economic projections into the future based upon a clearly defined set of stated assumptions.

They should not be called predictions or forecasts because their very existence, indeed the very fact that they are being made, or other autonomous happenings, may put into motion forces which lead to changes in programs, and hence in the assumptions. A projection on the basis of present trends, plans, and expectations showing a deflationary tendency for the next year conceivably might, for example, result in public or private program changes which would have the effect of preventing or softening the decline implied in the original projection. If this happened the economist or agency making the projection ought not to be accused ex post of having been a poor "forecaster." One purpose of such analyses is to set forth the nature and magnitude of the adjustments that appear needed to achieve certain objectives and to suggest the implications for the economy if the adjustments are not forthcoming. The projector's task does not necessarily include a forecast as to whether these adjustments will or will not be made. Another purpose of economic projections is to provide a basis for an internally consistent economic program aimed at the achievement of the Nation's major economic goals. Obviously, anyone presenting an unconditional prediction of future economic

---

[1] The Sustaining Economic Forces Ahead, joint committee print, materials prepared for the Joint Committee on the Economic Report by the committee staff, 82d Cong., 2d sess.
[2] Edited by Herbert V. Prochnow (Harper & Bros., 1954).
[3] See Long-Range Economic Projection, vol. 16, and Short-Term Economic Forecasting, vol. 17, Studies in Income and Wealth, Conference on Research in Income and Wealth, National Bureau of Economic Research, published by the Princeton University Press, 1954.

developments, including expected changes in public and private policies, must expect that *any* variation from his predictions will correctly be used as a measure of his deficiencies as a forecaster.

Economic projecting into the future, or if one insists, "forecasting," is here to stay as long as individuals, private business, and democratic governments are free to make their own decisions. Only in an authoritarian state can we be relieved of this necessity; there, projections become commands.

IMPORTANCE OF LOOKING FARTHER AHEAD

In both Government and business the importance of analyzing short-run implications of current economic developments is readily recognized. Analysis of week-to-week and month-to-month changes in economic indicators alone, however, provides too limited a basis for economic policy.

Most economists concentrate on the intermediate term outlook of the next year or 2 years because of its relationship to Government and business budget formulation and execution. The formal Federal budgetmaking cycle, for example, covers approximately 2 years.[4]

Increasingly, economists are requested to supply longer run projections. In private business such longer run projections are needed to aid managements in deciding capital budgets, long-range financing programs, targets for long-term changes in sales development programs, the location of new facilities and product diversification, to mention only a few of the more obvious reasons. Similarly, in Federal, State, and local governments, economic analyses must go beyond the period of the annual budget in order to provide a basis for deciding policies relating to such issues as national security, civil works, community development, and taxes. For some of these purposes projections can be confined to as little as 3 to 5 years while in other cases basic growth trends may have to be projected as much as 25 years into the future. For general purposes, however, projections for about a decade, such as to 1965, the target for the set of projections presented in this study, seem to be the most useful.

Under almost any method of economic projection it is important to state the major economic goals sought and to try to chart the nature and magnitude of the changes in present trends involved in achieving them. We have set "maximum" economic growth as the goal. The word "maximum" is used here in the sense of a persistent growth at rates which recent experience indicates to be feasible on the basis of conservative judgments. It is implied that such growth is not seriously interrupted for any prolonged period. There is no implication, of course, that the growth potentials of our dynamic economy are in any sense limited to these levels.

The national income and product accounts, developed in the last quarter century to record past economic activity, provide a way of stating assumptions and expressing judgments with respect to a future period. While a detailed model for 1965 is not required for this purpose, an attempt is made to measure for large segments those factors making for the achievement of a goal of maximum economic growth.

---

[4] For examples of Joint Economic Committee staff projections and analyses of the intermediate period see: Joint Economic Report, report of the Joint Committee on the Economic Report on the January 1954 Economic Report of the President, H. Rept. No. 1256, February 26, 1954, pp. 43–50; and memorandum, The Years Between, of August 1953; reprinted in the Joint Economic Report, pp. 78–84.

The figures obviously are not forecasts or predictions of actual developments.

The projections for the year 1965 do not necessarily assume achievement of maximum economic growth each and every year between now and 1965. The current year, for example, is somewhat below the long-run trend line, just as the early months of 1953 may have been above. It is quite obvious that economic fluctuations or international complications during the next decade could increase or decrease the Nation's productive capacity and actual demand in 1965. It is assumed, however, that any slowing up in expansion of productive capacity or demand in 1 year will be made up by a later speeding up and vice versa. In short, no allowance is made for the effects on our economic growth of prolonged recession, major depression, war, or other serious international complications.

Long-run tendencies suggest that economic growth at these "maximum" rates is a feasible achievement over the foreseeable future. At the same time they do imply changes in such factors as the rate of consumption, rate of investment, tax policies, and labor participation over the next decade. Some of these possible shifts are explored in this report.

. Except for Government gross national product, the estimates of output or expenditures in 1965 are stated in average 1953 prices, or less than 1 percent below the estimated level of early 1954. Individual prices would be expected to fluctuate. The estimates of incomes and of Government gross national product, however, necessarily assume that (1) as productivity increases, average hourly earnings and the returns to the other factors engaged in private production will rise in order to maintain recent relationships between costs, profits, and stock of business capital; and (2) rates of compensation of Government employees, military and civilian, will be adjusted upward to maintain the 1953 relationship with rates in private employment.

Obviously, important implications result from an assumption that the general price level for privately produced products will be stable, but that recent relationships will be maintained among the rates of return to, or prices of, the factors of production as they adjust to productivity changes. Factual evidence is scanty on the relation of economic growth to changes in productivity, prices, and incomes of factors of production; therefore, judgments are conflicting as to the economic significance of the kind of assumption which has been made. Some economists, for example, place stress on the role of rising prices in providing the incentives for a high level of investment, production, and employment. Such analysts point to such periods as the past decade as evidence that rising price levels provide a major sparkplug to the economic engine. Other economists argue that incentives can be fully adequate for expansion when prices are relatively stable and point to the 1920's as a period of stable prices accompanied by excessive incentives leading to such speculation and creation of excess capacity as to contribute to subsequent depression. A continuously rising price level may lead to excessive speculation on a scale sufficient by itself to cause a major depression. On the other hand it was necessary to assume essentially the same price level in 1965 as in 1953 in order to exhibit clearly the changes over the period in regard to

real output and incomes. Basic research is vitally needed into the question of the relationship between productivity gains, price changes, and reasonably stable economic growth.

In addition to technical considerations it is important to assume a reasonably stable price level since this is a generally recognized goal of Government action. The public and private debt structure, for example, would be in jeopardy if the price level declined materially over the next decade. Equally persuasive arguments can be made for pursuing policies which would prevent any material rise in the general level of prices. Such a price assumption would not, of course, rule out changes in individual prices and the dynamic role of such price changes in our competitive system. Whether events will permit relative general price stability remains to be seen, but under this assumption income from the expected significant increase in productivity would largely go to the factors of production—wages, salaries, and profits.

The assumption of a relatively stable price level over the next decade implies that the money supply will continue to rise as the Nation's output grows. It is not necessary here to specify an exact rate of annual increase in the money supply which would be consistent with the other assumptions of this study. The Federal Reserve, however, will take steps, it is assumed, to make possible whatever increase in the money supply proves to be consistent with a stable price level and the growth in output.

POPULATION ASSUMPTIONS

Since the size and age composition of the population in 1965 affects both potential national production and the amounts of various goods and services that may be demanded, the analysis begins with population trends. Population projections were selected from those made by the Bureau of the Census. The following assumptions concerning 1965 were drawn from the Bureau's study:[5]

(1) Total population for the United States is estimated at 190 million, rounded from the 189.9 million estimate of the Series A and Series B projections of the Bureau of the Census. These projections assume that the 1950–53 fertility rates will remain constant through 1965. Two other projections by the Bureau assume falling fertility rates. The choice of the highest of the Bureau's figures for 1965 reflects both the staff's assumption of reasonably high and sustained economic activity through 1965 and the fact that in the past under high-level economic conditions, actual birthrates and population have run close to or in excess of the high rates of such population projections.

(2) Population 14 years of age and over is estimated at 137 million, which reflects solely the Bureau's projection of mortality rates since all such individuals have already been born.

---

[5] Chart 1, p. 5, portrays graphically the relation of these projections to past trends. [The underlying sets of projections from which these assumptions were taken were published by the Bureau of the Census in the following reports: Illustrative Projections of the Population of the United States, by Age and Sex—1955 to 1975, Current Population Reports, Series P-25, No. 78, Aug. 21, 1953; Projected Growth of the Labor Force in the United States Under Conditions of High Employment—1950 to 1975, Current Population Reports, Series P-50, No. 42, Dec. 10, 1952; and Projections of the Number of Households and Families—1955 and 1960, Current Population Reports, Series P-20, No. 42, Dec. 28, 1952.

CHART 1

**POPULATION OF THE UNITED STATES, NUMBER OF HOUSEHOLDS, AND PERSONS
PER HOUSEHOLD, ACTUAL 1900-1953; ESTIMATED, 1965.**

In Millions — Persons per household

Persons per household (Scale →)

Population of the United States (← Scale)

Number of households (← Scale)

1900 1905 1910 1915 1920 1925 1930 1935 1940 1945 1950 1955 1960 1965
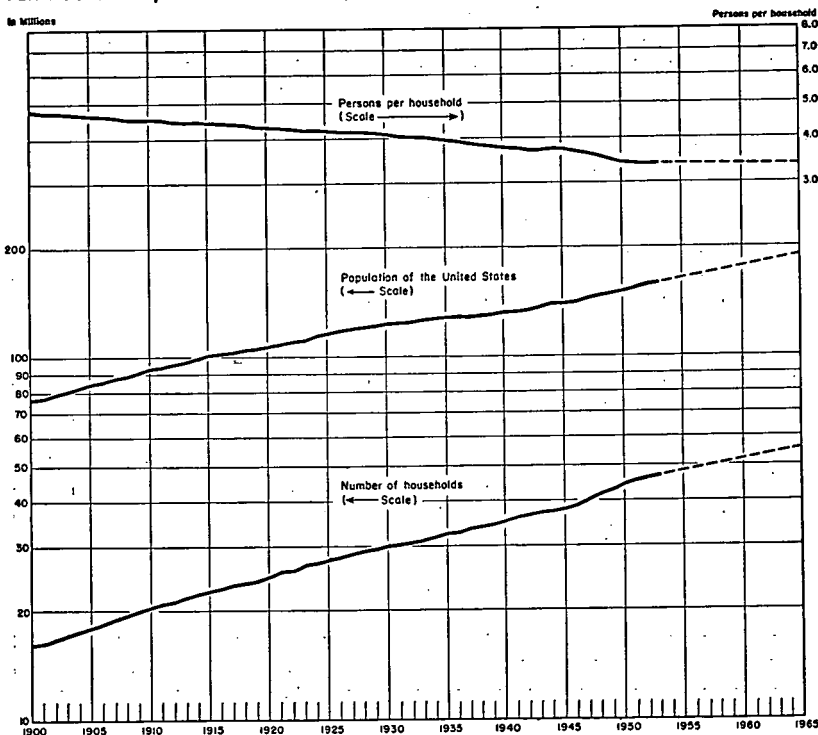
Source: See Appendix B, Table B-1, pp. 27-32.

(3) The number of households is estimated at 56 million, an average of 3.4 persons per household—about the present figure. This estimate of 56 million households in 1965 is in line with the Bureau's high estimate for 1960 of 52.9 million (revised to adjust for change in the Current Population Survey estimating procedure) and an increase from 1960 to 1965 based on the assumption of a slight upward trend in the propensity for persons to have homes of their own. A conservative estimate would be about 54 million.

FACTORS MAKING FOR GROWTH ON THE SUPPLY SIDE

On the basis of various studies the following propositions were arrived at concerning possible changes in key factors influencing economic growth on the supply side by 1965:

Labor force

From the Bureau of the Census projections the assumption has been made that the total labor force in 1965 will be 79 million, which, allowing for 3 million in the armed services, would give a civilian labor force of 76 million.[6]

---

[6] See chart 2, p. 6, and table 1, p. 19. The Bureau's figure of 78.1 million for the labor force in April 1965 has been adjusted to the annual average by the approximate usual seasonal variation of April from the annual level.

Unemployment, it is arbitrarily assumed, will be about 4 percent of the civilian labor force, or 3 million, somewhat under the October 1954 rate but close to the average percentage of the postwar years.[7] Consequently, total civilian employment would be 73 million compared to 61.9 million in 1953.

About 5.5 million persons are assumed to be employed in agriculture compared to 6.7 million in 1953, a decline which reflects the long-term trend of agricultural employment but at a lesser rate of decline than in recent years.

CHART 2

LABOR FORCE STATUS OF THE POPULATION, ACTUAL 1900-1953; ESTIMATED, 1965
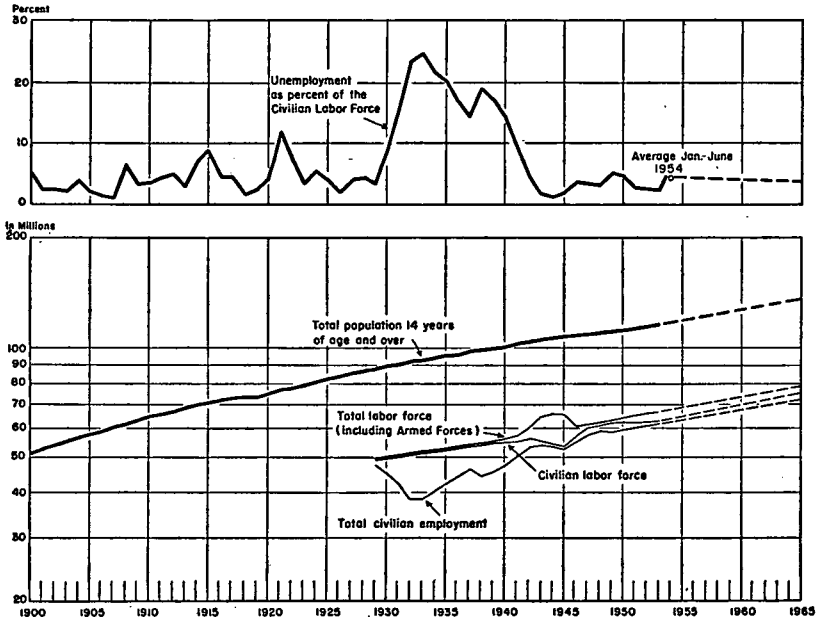
Source: See Appendix B, Table B-2, p. 33.

About 7.5 million persons will be in civilian government (including Federal, State, and local) compared to 5.9 million in 1953. This implies about the same number of Federal employees but an increase in State and local government employees in such activities as education, highways, etc., as population increases result in a need for more employees to carry out existing Government services.

The remainder, amounting to 60 million persons, compared to 49.3 million in 1953, are arbitrarily assumed to be engaged in private nonagricultural industries which in this study include those Government employees who work in Government business-type enterprises.

Average annual hours of work

Average annual hours per man in agriculture and in private non-agricultural industries are assumed to decline about 0.8 percent per

[7] These unemployed persons would be largely new entrants into the labor force, the frictional unemployed, and those shifting to new industries or occupations because of technological advances. The use of this assumption does not imply that the committee staff believes that this level of unemployment is consistent with the goal of maximum economic growth. Such a determination would be a value judgment beyond the scope of staff responsibilities.

year: a decline which assumes a continuance of the secular trend toward a reduction in hours of work. This might take the form, for example, of a decline in private nonagricultural industries of about 4 hours a week between 1953 and 1965, or an increase in vacation and holidays by about 20 to 25 days per year, or some combination of these alternatives adding up to about 200 hours per year per man. If average annual hours of work remain at the 1953 level rather than decline secularly as assumed, then by 1965 the potential gross national product at 1953 prices might be between $40 billion and $50 billion greater. If annual hours of work are reduced more than assumed, the potential gross national product by 1965 probably will not reach the levels estimated in this study.

Output per man-hour

Within the private economy the following assumptions are made:

(1) In agriculture, output per man-hour will increase 3 percent per year, somewhat less than the average of recent years but higher than the 1910–53 average of about 2 percent. This assumption reflects the expectation of continued effects of technological changes on agriculture, such as increased mechanization, improvements in plant and animal breeding, use of antibiotics and increased use of improved fertilizers.[8]

(2) In private nonagricultural industries output per man-hour will increase about 2.5 percent per year, somewhat below the recent average but above the 1910–53 average of about 2 percent. This assumption

CHART 3

GROSS NATIONAL PRODUCT (CONSTANT DOLLARS) PER MAN-HOUR IN AGRICULTURAL AND IN PRIVATE NONAGRICULTURAL INDUSTRIES, 1910-1953; ESTIMATED, 1965
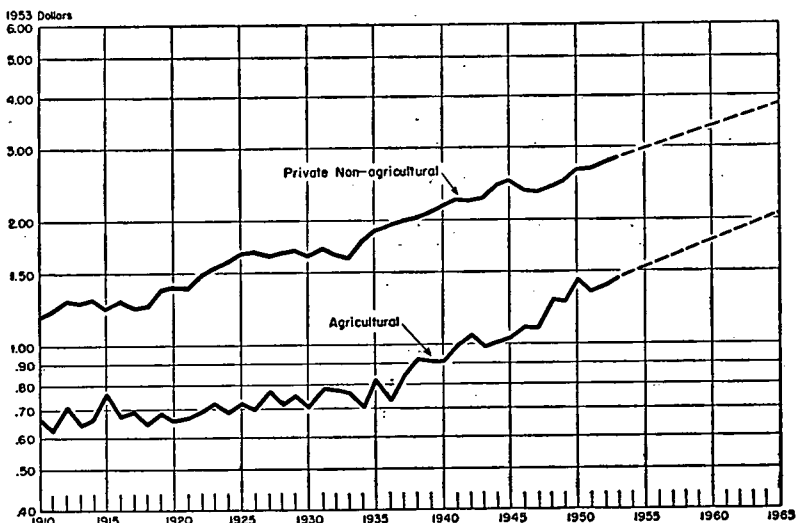
Source: See Appendix B, Table B-3, p. 34.

[8] The long-term rate of increase in farm productivity was estimated at 1.2 percent per year by John W. Kendrick in his paper, entitled "National Productivity and Its Long-Term Projection," presented at the Conference on Income and Wealth, May 1951 (see chart 3). However, computations based on new data have been made by the Department of Commerce, Office of Business Economics, which yield higher estimates reflected in the text above. Part of the difference between Kendrick's earlier estimate and present estimates is a statistical result of shifting the base year of the price deflator from 1939 to 1947-49. (See Survey of Current Business, August 1954.)

reflects crudely the effects expected from the high rate of investment and technological advances in recent years, which are assumed to continue over the next decade. There is some evidence that a period of high investment such as is assumed would be accompanied by a rate of increase as great as 3 percent per year which, if true, would result in adding about $30 billion at 1953 prices to the potential annual gross national product by 1965.[9]

Natural resources

Since it is assumed that there will be neither war nor other extreme international or domestic changes from the general pattern of recent years, no hindrance to output because of a scarcity of natural resources is allowed for in 1965. Such scarcities as may develop would be offset by technological advances or would have their influence on costs and prices, as emphasized in the report of the President's Materials Policy Commission.[10]

Total national production potential

The product of employment, average annual hours, and output per man-hour yields projections of potential private gross national output. For Government gross national product, the estimate is based on Government employment and pay scales adjusted to the 1953 relationship to private pay scales.[11]

The assumptions made in this study yield a potential gross national product for 1965 of about $535 billion.[12] This estimate is not materially different, after allowance for price differences, and treatment of pay for Government employees, from the long-term trend suggested by the consensus of recent projections for other periods by the National Planning Association, the Department of Commerce, and the President's Materials Policy Commission.[13]

Other combinations of assumptions concerning population, labor force, hours of work, and output per man-hour could be made, but it appears that any combination of such assumptions as would now seem reasonable would yield approximately the same result as has been reached in this analysis. A continuation of technological progress, of basic research, and of investment in improved plant and equipment at rates sufficient to make possible the assumed increase in output per man-hour is, of course, essential to the projections.

---

[9] The long-term rate of increase in private nonagricultural industries was estimated at 1.9 percent by John W. Kendrick in the paper cited above. Revised data since available makes little change so the rate may be about 2 percent. The Kendrick estimates are plotted together with the projection to 1965 on chart 3.
[10] See President's Materials Policy Commission report, Resources for Freedom, June 1952, vol. 1, ch. 4.
[11] See p. 3.
[12] See chart 4, p. 9, and table 1, p. 19.
[13] Colm, Gerhard, and Marilyn Young, The American Economy in 1960, National Planning Association, Planning Pamphlet No. 81; U. S. Department of Commerce, Markets After Defense Expansion, 1952; President's Materials Policy Commission, Resources for Freedom, June 1952, vol. 2, ch. 22, pp. 111 through 116. See summaries of these projections in appendix A. See also, The Sustaining Economic Forces Ahead, joint committee print, materials prepared for the Joint Committee on the Economic Report by the committee staff, 82d Cong., 2d sess., 1952.
It will be noted from chart 4 and appendix A that although the projection by the President's Materials Policy Commission is about in line with the trend of the other studies on a per capita basis, it appears low when the comparison is made of the totals. This reflects the fact that the Commission used a population assumption of 193 million and a population 14 years of age and over of 146 million, which assumption is below the most conservative estimate of the more recent population projections of the Bureau of the Census for 1975, ranging from 198.6 to 221 million.

CHART 4

GROSS NATIONAL PRODUCT, TOTAL AND PER CAPITA, 1909–1953; ESTIMATED, 1965; AND COMPARATIVE ESTIMATES FOR VARIOUS YEARS FROM OTHER STUDIES
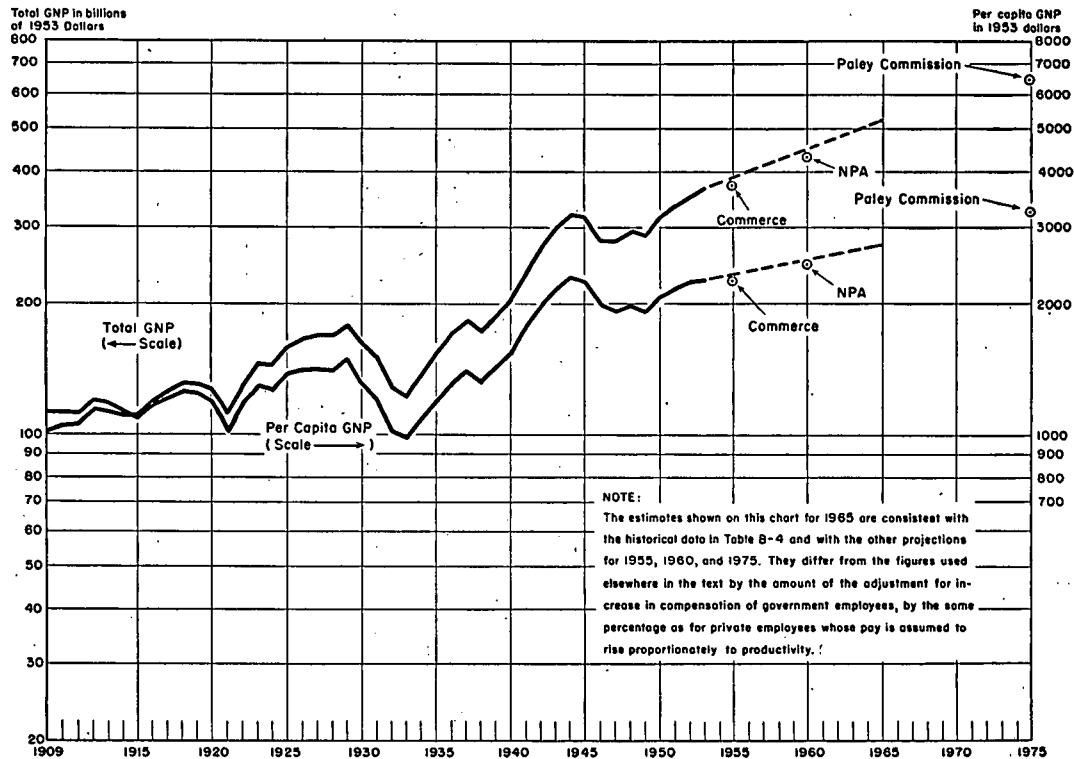
Source: See Appendix B, Table B–4, p. 35.

FACTORS MAKING FOR GROWTH ON THE DEMAND SIDE

Estimating demand for any future period is probably the most hazardous part of an economist's job.   Even a statement of assumptions leaves many difficult judgments and calculations to be made. What are the prospects that such demands for goods and services will be equal to or exceed the total output potentially available by 1965?

Government

The demand of Government is estimated separately for national security, for Federal, State, and local public construction (including schools, highways, and other public works), and for compensation to Government employees and for other miscellaneous goods and services. The amounts are stated in terms of goods and services currently produced and exclude transfer payments.   Thus, they are always lower than "budget" expenditures.   The estimates of Government demand for goods and services reflect the basic assumption, already mentioned, that pay scales for Government workers, civilian and military, will be adjusted upward to maintain in 1965 the relationship with rates in private employment which prevailed in 1953.   By major categories it is assumed that for 1965:

(1) A continuation of international conditions will result in expenditures for national security programs of about $40 billion per year compared to $52 billion in 1953 and a recent rate of slightly under $45 billion.   The assumed $40 billion per year of national security expenditures allows for pay increases to civilian and military personnel in the defense programs and for expenditures believed, on the basis of official reports, to be sufficient for current operations of a military establishment with 3 million in uniform together with a maintenance level of major procurement.   This probably implies lower levels for non-defense department activities within the national security program such as atomic energy, stockpiling, and foreign aid.

(2) Public construction—Federal, State, and local—will result both from keeping up with needs of the rapidly growing population and from filling the backlogs now existing because of inadequate past levels of construction due to depression and war.   It is assumed, however, that much of this backlog will have been worked off by 1965.   Total Government expenditures on construction are assumed to increase from $10.1 billion in 1953 to at least $17 billion by 1965, of which $4 billion would be for schools, $6 billion for highways,[14] and $7 billion for all other.

(3) Compensation of civilian Government employees and other purchases of goods (exclusive of those for national security and construction) are assumed to increase from $23.1 billion in 1953 to $40 billion by 1965, reflecting largely the assumed changes in State and local government employment and in Government pay scales.

(4) Further reductions in Federal tax rates are assumed in addition to those that have become effective this year and those which are incorporated in the Internal Revenue Code of 1954.   The reductions

---

[14] This $6 billion assumption for highways is consistent with a total expenditure for highways including administration, debt service on highway bonds, maintenance, land acquisitions, etc., of between $7.5 billion and $9 billion per year by 1965.   These estimates appear consistent with the President's proposed $50 billion program of highway expansion announced at the Governors' Conference, July 12, 1954.   If expenditures are increased to meet standards proposed to the President's Advisory Committee on a National Highway Program in their recent hearings, then total expenditures might average $10 billion per year.

are assumed to be such that by 1965 the Federal budget will be balanced but the combined State and local government deficit would be about $2 billion on an income and product basis. The tax reductions have been spread somewhat arbitrarily across all sources of Federal revenues except social-security contributions. These assumed reductions in taxes would lower the combined total of Federal, State, and local revenues in 1965 perhaps 15 to 20 percent below the hypothetical yield that could be expected from present rates (including the Internal Revenue Code of 1954) at levels of output and incomes estimated for 1965.

Private investment

Estimates of private investment by 1965 are made on the following assumptions:

(1) Residential nonfarm construction is assumed to increase from $11.9 billion in 1953 to $16 billion per year by 1965. This is believed to be sufficient to achieve and maintain the then needed stock of housing for a total of 56 million households as compared to 47 million households estimated by the Bureau of the Census for 1953. It provides: (a) New housing to increase the housing supply to take care of the additional 800,000 to 900,000 new households expected each year by the mid-1960's; (b) for replacement of wornout or destroyed residential structures; (c) for improvements on existing structures; and (d) for conversions. If in 1965, the ratio of nonfarm *housing starts* to residential nonfarm construction *expenditures* is the same as in 1953, then private nonfarm housing starts in 1965 would be about 1.4 million per year compared to 1,068,300 in 1953.

(2) Business expenditures on plant and equipment are assumed to amount to about $60 billion per year by 1965 compared to $38 billion in 1953. So far as present information is a reasonable guide this could provide about $25 billion to replace fixed assets actually retired in each year plus about $35 billion for expansion of capacity and accelerated replacement of old assets. This probably implies a more rapid annual rate of modernization of productive facilities than now prevails and probably a considerable opportunity to decentralize or disperse industry both as a means of reducing the vulnerability of our industrial plants in case of war and as a contribution toward improved working, traveling, and living conditions for employees.

Although there seems little doubt that this sum could be financed and that opportunities will exist for such investment, one may question whether business will reach this level within the time period of these projections. Some factors can be enumerated to indicate the feasibility of the assumption. The development of atomic and, possibly, solar energy for peacetime uses on a practical economic scale would open the way to enormous expenditures to provide cheap and virtually unlimited power to the entire population without regard to present geographic locations. When will this occur and what would it mean in terms of potential investment in other directions? As American cities have grown, they have deteriorated physically and tended to develop areas of blight. In this age of potential H-bomb warfare, and in light of changed living habits and technological improvements, such as air transportation and the automobile, there would seem to be vast potentials for economically sound investment—perhaps in part by

combined public and private authorities—in the rebuilding of the Nation's cities, in decentralization, and in industrial dispersal.

The assumed increase in investment, moreover, may not be unrealistic in view of the fact that the assumed increase in output and lowering of tax rates could mean almost a doubling of corporate profits *after taxes.* This, together with commensurate increases in the income of unincorporated business and in internal funds from depreciation and depletion allowances under the Internal Revenue Code of 1954, should provide both funds and incentive.

(3) Net foreign investment in 1965 is assumed to be $2 billion per year compared to minus $1.9 billion in 1953. This increase is meant more to indicate the direction of change than expected magnitude. The shift possibly implies the development of new techniques or new international arrangements, particularly for private investment in underdeveloped areas. If suitable international arrangements and incentives can be worked out, the United States might duplicate in the second half of the 20th century what Great Britain did in the 18th and 19th centuries in the way of exporting capital. How much demand this might create for capital goods is anyone's guess, but it could be sizable, resulting in a net foreign investment even greater than assumed above.

Experience shows that some of our best markets for export goods are in those countries which have achieved the highest standards of living and the highest industrial development. Hence foreign investment made in the underdeveloped countries of the world could turn out to be sound: (*a*) in terms of interest and dividends received; and (*b*) in terms of an increase in both productivity and purchasing power of the peoples of these countries such that they would become large markets for those types of mass-produced products in which this country holds world superiority.

If the program increased domestic employment in exporting industries of relatively high output per man-hour, while shrinking employment only in those where it is low, the Nation as a whole would benefit from an enlarged real income per capita. Such changes might seriously injure for a period some individual workers, companies, and communities. Therefore, some policy probably would be necessary which would encourage and facilitate adjustments and movements toward more desirable and profitable types of enterprise in the same way that our tariff policy encouraged many industries in the 19th century.

(4) Annual increase in inventories is assumed to be $3 billion per year by 1965 compared to $1.5 billion in 1953. This does not mean an increase in inventories of this magnitude every year but an average change of about this amount in order to accommodate the average annual rate of increase in total output. Increased efficiency might make possible operations with a lesser rate of addition.

Consumer demand

Projections of consumer income, savings, and spending for long periods are particularly handicapped by a lack of information or, for some items, by a lack of accurate, comparable estimates covering sufficiently long periods to make possible determination of long-term trends. After consulting the literature and professional experts in

this field, the staff made the following assumptions for the projected consumer income and demand levels for 1965: [15]

(1) Disposable personal income is estimated to rise from $250.1 billion in 1953 to $380 billion in 1965. This implies a rise in disposable personal income per capita in 1953 dollars from $1,567 to about $2,000, or on a per household basis from $5,321 in 1953 to about $6,785 in 1965. It reflects the assumption stated elsewhere that personal taxes will be lowered, that pay rates and employment will rise, and one assumption not otherwise stated—that corporations will pay out in dividends higher proportions of their net profits after taxes than is true at present though not as high as in some other previous high employment periods.

(2) Personal savings are assumed to decline from the average of 7.9 percent prevailing over the last 3½ years to an average of about 6 percent of disposable personal income by 1965. Such a change, if it occurs, would constitute a substantial structural shift. Most experts consulted seemed to believe that such a shift toward a lower savings rate would be needed in the years ahead in order to provide: (a) An increased market for consumer goods; and (b) through this increased market an incentive for high-level business investment. It should be recognized that this savings rate of 6 percent is close to the lower limit of the range of possibilities for the decade ahead.

Measurements of the current and past levels of savings are themselves not as reliable as would be desirable, and when approaching the problem of projecting for a period over a decade into the future the possibilities fan out over a greater range than with many economic data. Equally rational analyses can be constructed which would justify placing the rate as low as 4 to 5 percent or as high as between 9 and 10 percent.

Changes in contractual savings obligations such as repayment of debt and contributions to private pension and retirement funds; the introduction of new products; changes in social aspirations or tastes; a growth in households headed by retired workers; a sharp increase in the number of children in teen-age brackets who are consumers but not producers; an increase in leisure; a decrease in the proportion of the population between 18 and 44 years of age when savings are low, and an increase relatively in the population between 45 and 64 when the savings rate is higher—all these factors must be given consideration. Chart 5 illustrates some of the changes in the age composition of the population which may affect savings. Judgments vary as to the weight each factor should receive and even in some cases as to the direction in which it might influence the savings rate. Better data and more research are needed. The best that can be done at the moment seems to be to accept the consensus of a trend toward a

[15] For a sample of the factors influencing these consumer demand estimates see the following: Cohen, Morris, Postwar Consumption Functions, The Review of Economics and Statistics, February 1952, pp. 18–33; Duesenberry, James S., Income, Saving, and the Theory of Consumer Behavior, Cambridge, Harvard University Press, 1949; Fisher, Janet, Income, Spending, and Saving Patterns of Consumer Units in Different Age Groups, Studies in Income and Wealth, vol. 15, National Bureau of Economic Research, 1952; U. S. Department of Labor, Bureau of Labor Statistics, Worker's Budgets in the United States: City Families and Single Persons, 1946 and 1947, Bulletin No. 927, p. 51; Paradiso, Louis J., The Recent Pattern of Consumption, Survey of Current Business, April 1954, pp. 5–12; Prais, S. J., The Estimation of Equivalent Adult Scales from Family Budgets, Economic Journal, vol. LXIII, No. 252, December 1953, particularly, p. 803; Ferber, Robert, A Study of Aggregate Consumption Functions, Technical Paper No. 8, National Bureau of Economic Research, 1953; and Mack, Ruth P., Factors Influencing Consumption: An Experimental Analysis of Shoe Buying, Technical Paper No. 10, National Bureau of Economic Research, 1954.

CHART 5

PROJECTIONS OF TOTAL POPULATION IN THE UNITED STATES BY AGE GROUPS

July 1, 1955 and 1965
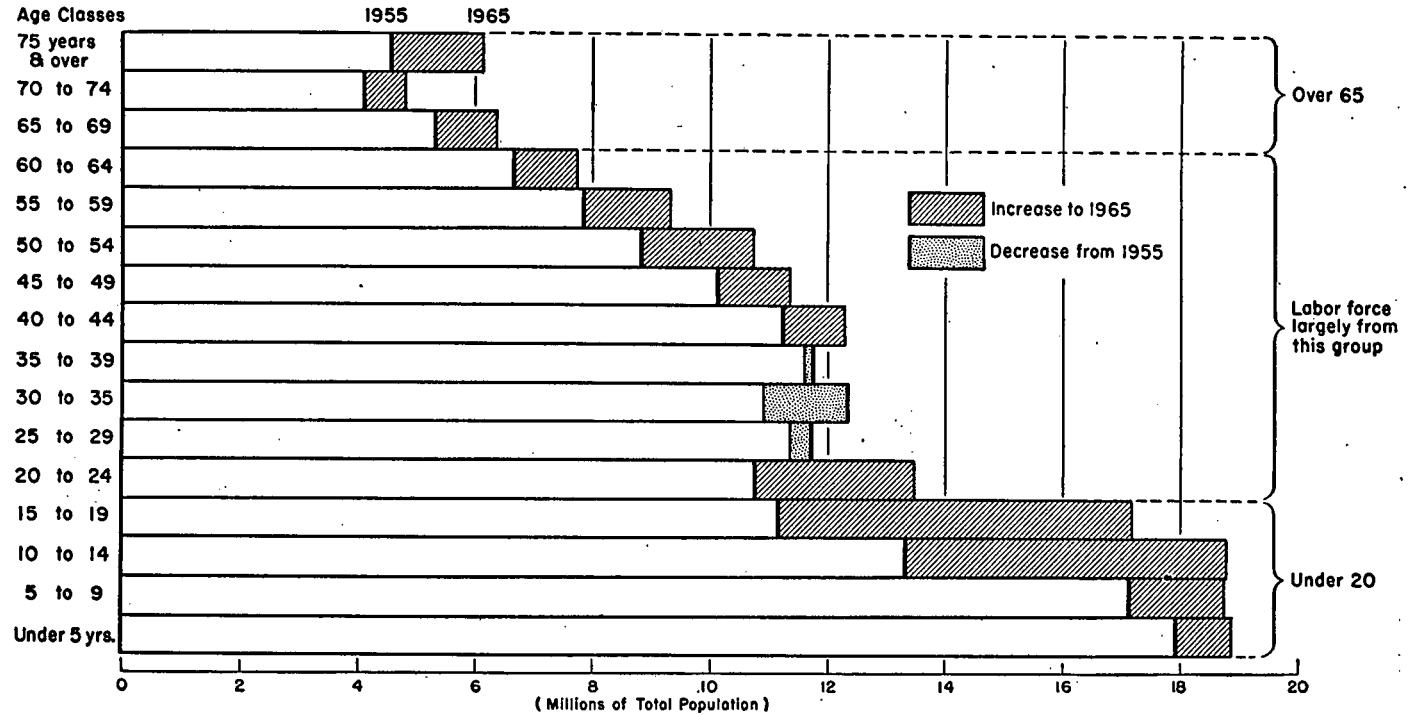
Source: See Appendix B, Table B-5, p. 35.

somewhat lower savings rate while recognizing that some factors may be working strongly toward a rate higher than even that of recent years.

At the same time, we must recognize that after 1965 we will have a very strong force tending to shift the savings rate toward a lower level. Then, the high birthrates of the earlier war and postwar years will be reflected in a high rate of new family formation. They will be in the stage of life when homes, automobiles, household furnishings, and other durable goods typically are acquired for the first time. This suggests that in this later period a shift in the proportion of the population toward these younger age brackets between 18 and 44, years of life during which savings are at a minimum and dissavings through additions to debt are frequent, may operate to lower the savings rate substantially. This trend would be reinforced by the increased proportion of the population over 65 who will be eligible under social security or private pension plans for retirement, and who will have low rates of savings if indeed they do not, on net balance, actually use up savings made prior to retirement.

(3) The assumption that personal savings will be 6 percent of personal disposable income means that consumer expenditures could rise from $230.1 billion in 1953 to $357 billion in 1965 in constant prices. This is a rise per capita from $1,442 in 1953 to $1,880 in 1965. The assumed division of the total between durable goods, nondurable goods, and services was made by projecting each of these groups on the basis of relations of consumption to income (per capita or per household) and then adjusting these to the assumed total of $357 billion. Durable goods expenditures in 1953 prices are assumed to rise from $29.7 billion in 1953 to $50 billion in 1965 or from $186 per capita in 1953 to $263 per capita in 1965. This means a rise per household from $632 in 1953 to $893 in 1965, or over 40 percent. Nondurable goods expenditures in 1953 prices are assumed to rise from $118.9 billion in 1953 to $185 billion in 1965, or from $745 per capita to $974 per capita. The fact that such expenditures per capita rise only about 31 percent reflects in part their lesser sensitivity to rises in income and partly the large increase in the population under 14 years of age where consumption of these goods is less per capita than the average for the adult population. Expenditures for services in 1953 dollars are assumed to rise from $81.4 billion in 1953 to $122 billion in 1965, a rise from $510 per capita to about $642 per capita. Such an assumption is slightly more than long-range trends would indicate but reflects crudely the assumed effect on service expenditures of shorter hours, an increase in the proportion of retired workers, and the greater than average increase in educational expenditures due to the expected increase in children of school age, particularly at the college level.

Total national demand

In summary, by 1965 total national demand for goods and services at 1953 prices [16] could amount to $535 billion per year of which Government could account for $97 billion, business for $81 billion, and consumers for $357 billion.

[16] See p. 3 for an explanation of this price assumption.

FACTORS MAKING FOR STABILIZATION AT HIGH LEVELS

These supply and demand projections can now be synthesized and a summary made of implications concerning problems and adjustments which might develop in the next decade if "maximum" balanced economic growth is generally maintained.

Synthesis of supply and demand

Potential gross national product may be $535 billion per year by 1965. This potential would be raised $30 billion if output per man-hour increases 3 percent rather than 2½ percent per year. The potential would be raised another $40 to $50 billion per year if average annual hours of work remain at 1953 levels rather than continue the declining secular trend. Total demand, projected on arbitrary but reasonable assumptions, could absorb the estimated output of $535 billion per year.

This synthesis is summarized in Table 2.—Summary of Nation's Economic Budget for "Maximum" Economic Growth. It shows consolidated accounts for 1953 and 1965 covering the personal, business, and Government sectors—including income, expenditures, and savings or dissavings for each. These accounts use the concepts and data of the national income accounts of the Office of Business Economics, United States Department of Commerce. The summary table provides the same kind of key information shown by a projected operating statement in a business budget.

The comparison of estimates of demand and supply for 1965 suggests the possibility of a balanced economy at "maximum" employment a decade hence. At the same time it poses problems concerning (1) changes needed over the next decade if a balanced demand-supply situation at "maximum" employment is to be realized; and (2) deliberate changes in private and public policies which would stimulate growth in demand in line with output potentials.

Skills and machinery for adjusting public and private programs in the interest of balanced "maximum" economic growth

A private competitive economy possesses flexibility and the ability to adjust spontaneously to changing opportunities and needs. A free society is superior precisely because it stimulates through competition the maximum forces of individual initiative and adjustment.

It must be recognized that the Employment Act of 1946 expresses not a rigid rule for Government economic action but a broad philosophy of private and public cooperation within the framework of the competitive system to obtain by mutual adjustment the objectives of "maximum" economic growth. To assume a lessened rate of progress for the next decade would, therefore, in effect be to assume that the American people will show less initiative and skill to adjust private and public programs and policies in the common interest.

Widespread evidence of the development of techniques for such cooperation in the private area and in Government, together with growing emphasis on economic and market research by business enterprises and research foundations should dispel pessimism.

A factor equally important is the characteristic determination of the average American citizen to set for himself a constantly improving standard of living and to work hard to achieve it.

But as was said at the outset, achievement of maximum economic growth each year is not assumed. Minor economic fluctuations will continue because of many uncontrollable factors and because of the very nature of our competitive system.

Summary of possible adjustments to promote balanced "maximum" growth

Obviously the balanced growth model presented in this study is only one of a substantial number of such combinations of balanced supply and demand which could be constructed. Despite the care used in performing the difficult task of arriving at what appears to be the most reasonable pattern, actual trends may differ in important respects. Nevertheless, if history is any reasonable guide, it seems doubtful that actual developments, short of intervening international catastrophies, could depart so widely from the assumed pattern that the economic implications of the analysis would be completely contradicted. If, however, actual developments are to approximate the pattern of balanced growth developed in this study significant economic adjustments appear to be needed during the next decade. Undoubtedly the spontaneous adaptation of the free private competitive system will provide most of the changes as needed. In some areas involving public programs and policies deliberate decisions to change or adapt these programs and policies may be necessary.

The kind of adjustments which this study implies will probably be needed over the next decade in the interests of balanced "maximum" economic growth are:

(1) A shift in the pattern of consumer spending and saving such as to reduce the ratio of personal savings to disposable personal income from the recent rate of about 8 percent to about 6 percent in the face of some forces which may operate in the direction of a higher rate of perhaps 9 to 10 percent. This will be a real challenge to the sales and product development departments of American business enterprises. Since, as indicated previously, growing public revenues from an enlarged national income will make possible further reductions in Federal taxes, these tax changes can facilitate adjustments in consumer budgeting patterns.

(2) The pressure of a rapidly growing population upon State and local governments for increases in traditional government services, such as schools, highways, hospitals, etc., will create a need for new means, new methods, new institutional arrangements to enable State and local governments to meet these demands. Much study is currently being given to these problems but perhaps innovations in local government financing operations may be required if these demands—particularly for public construction—are to be met. Recent experiments with lease-purchase and public-authority arrangements may point toward a useful solution for capital items at least.

Although these seem to be the two directions in which adjustments or changes in the economy seem most probable if economic activity at the middle of the next decade is to average approximately the levels projected in this study, at least two other possibilities of somewhat lesser probability should be mentioned:

(1) A continuation of past trends is assumed toward shorter weekly hours and increased vacations and holidays. A greater reduction of

annual hours of work per employee by the equivalent of perhaps two or three hours per week would reduce the potential output by between $20 to $30 billion.   Perhaps more leisure would be the form in which many would prefer to take their share of the benefits of rising productivity.   Then, too, increased leisure presents many potential investment opportunities—weekend resorts, hobbies, and the like.[17]

    (2) The relationships between prices, wages, and profits might shift in ways not clear at present to contribute to generating demand sufficient to clear the market at "maximum" rates of economic growth. The rigidities introduced into the economy by the growth of large organized economic groups in business, labor, and agriculture might offer some obstacles to such adjustments.

    The mere listing of these difficult adjustments might in itself create some qualms concerning the probability that these needed changes actually will be made.   Some adjustments appear to be necessary from the standpoint of present knowledge if we are to navigate our way successfully along a reasonably smooth upward growth trend over the next decade.   Others, though less necessary, would facilitate progress.   Those feeling such concern when faced with these difficulties might find it useful to recall the paragraph cited in concluding the report of 2 years ago:

The ability of the economy to adjust will in the end depend principally upon the attitudes and behavior of businessmen, investors, and consumers at that time.   As our ability to produce increases and Government defense purchases level out, will businessmen and consumers go ahead with their private plans and expenditures, or will they too withdraw from the market out of fear or uncertainty about the ability of the private economy to go ahead without artificial stimulus? If they do, it will not be from lack of opportunities for growth and investment; of that we can be certain.[18]

---

[17] See Fortune Magazine, June 1954, Fun: A $30 Billion Market; and July 1954, The Four-Day Week: How Soon?

[18] The Sustaining Economic Forces Ahead, joint committee print, materials prepared for the Joint Committee on the Economic Report by the committee staff, 82d Cong., 2d sess., p. 65.

TABLE 1.—*Summary of projections of supply of gross national product in 1965 with comparative actuals for calendar year 1953*

Items	Actuals, 1953	Projected, 1965
Population (in millions):		
Total	159. 6	190. 0
14 years and over	116. 5	137. 0
Total labor force (in millions)	67. 0	79. 0
Armed Forces	3. 5	3. 0
Civilian labor force	63. 5	76. 0
Employed, total	61. 9	73. 0
Agricultural	6. 7	. 5. 5
Nonagricultural	55. 2	67. 5
Private	49. 3	60. 0
Government	5. 9	7. 5
Unemployment	1. 6	3. 0
Percentage of civilian labor force	*2. 5*	*4. 0*
Average annual hours (private):		
Agricultural	2,465	2, 240
Nonagricultural	[1] 2, 040	1, 855
Output per man-hour (private) (1953 dollars):		
Agricultural	$1. 314	$1. 865
Nonagricultural	$3. 100	$4. 190
Potential gross national product (billions of 1953 dollars):[3]		
Agricultural	$21. 7	[2] $23. 0
Nonagricultural (private)	$311. 8	$466. 0
Government	$31. 4	[3] $46. 0
Total	$364. 9	$535. 0

[1] This average annual hours figure for private nonagricultural industries for 1953, although labeled "private," was developed from the estimates for total nonfarm employment including government. True "private" estimates for all of 1953 cannot be developed from data the Bureau of the Census now has on hand since they have average annual hours figures for government only for the last 4 months of 1953 after the computation of the labor force estimates had been shifted to the UNIVAC. The Bureau's technicians, however, believe that this probably introduces only very small differences.

[2] This increase in agricultural gross national product of 6 percent during a period in which private non-agricultural product is expected to increase almost 50 percent and population by 19 percent may on the surface seem to imply a sharp decline in per capita consumption of agricultural products or a fall in farm prices. However, this increase in agricultural gross national product results from a substantially larger increase in agricultural production offset by an increase in purchases of production goods such as fertilizers, machinery, etc., by farmers from nonagricultural sources; in other words, this is a net figure. Furthermore, since we have assumed a decline of 1.2 million, or about 18 percent, in the number employed in agriculture, this implies an increase in agricultural gross national product per agricultural worker of about 29 percent compared to about 23 percent in private nonagricultural industries. It also implies that by 1965 agricultural output would be about in balance with agricultural demand.

[3] Government gross national product assumes an increase in government pay scales sufficient to maintain 1953 relationship to private pay scales. See text, p. 3.

Source: Department of Commerce and the staff of the Joint Committee on the Economic Report.

TABLE 2.—*Summary of Nation's economic budget for "maximum" economic growth, actual calendar year 1953; estimated calendar year 1965*

[Billions of 1953 dollars [1]

Incomes from and expenditures for gross national product	Actual, calendar 1953 [2]	Estimated, calendar 1965
PERSONAL		
Income, total disposable	250.1	[3] 380
Expenditures:		
Durable goods	29.7	50
Nondurable goods	118.9	185
Services	81.4	122
Total expenditures	230.1	357
Savings (+)	[4] +20.0	[5] +23
BUSINESS		
Incomes:		
Corporate undistributed profits	8.9	[6] 12
Capital consumption allowances	27.2	48
Inventory valuation adjustment	−1.0	0
Total incomes	35.1	60
Expenditures:		
Residential nonfarm construction	11.9	16
Plant and equipment	38.0	60
Change in business inventories	1.5	3
Net foreign investment	−1.9	2
Total expenditures	49.5	81
Dissavings (−)	−14.4	−21
GOVERNMENT [7]		
Incomes:		
Personal tax and nontax payments	36.0	[8] 43
Business tax and nontax liabilities	51.1	[8] 62
Contributions for social insurance	8.8	[9] 16
Less nongross national product payments	17.4	[9] 26
Total incomes	78.5	95
Expenditures:		
Major national security	52.0	40
Public construction, civilian	10.1	17
Schools	1.7	4.
Highways	3.2	6
Other public construction	5.2	7
All other	23.1	40
Total expenditures	85.2	97
Savings (+) or dissavings (−)	−6.6	[10] −2
Statistical discrepancy (+) or (−)	+1.0	0
Grand total	364.9	535

[1] Rates of compensation for factors of production including general Government employees are assumed to change in line with changes in productivity. See text, p. 3.
[2] Detail may not add to totals due to rounding.
[3] Consistent with an assumed personal income of $423 billion.
[4] Personal savings were 8 percent of disposable personal income.
[5] Personal savings assumed to be about 6 percent of disposable personal income.
[6] Consistent with an assumed corporate profits of $56 billion, as follows:

[In billions]

	1953	1965
Corporate profits and inventory valuation adjustment	$38.5	$56
Inventory valuation adjustment	1.0	0
Corporate profits before taxes	39.4	56
Corporate profits tax liability	21.1	26
Corporate profits after tax	18.3	30
Dividends	9.4	18
Undistributed profits	8.9	12

[7] Includes Federal, State, and local government.
[8] Tax estimates assume reductions in Federal tax rates which would reduce total Federal, State, and local revenues in 1965 by 15 to 20 percent below the yield under present rates law at 1965 output levels.
[9] The increases shown for these 2 items largely reflect the projected increases in both receipts and expenditures of social insurance funds and Government employee pension funds, both Federal Government and State and local government. The estimates reflect so far as possible the expected influence of the most recent revisions in social insurance programs.
[10] A balanced Federal budget but a combined State and local government deficit on a goods and services basis. See pp. 10, 11.

Source: Actuals, Department of Commerce; estimates, staff, Joint Committee on the Economic Report.

APPENDIXES

APPENDIX A

PROJECTIONS OF LONG-TERM GROWTH TRENDS AS ESTIMATED IN FOUR REPORTS

This appendix and the attached tables provide a summary of some of the economic projections through 1975. The material is drawn from four studies: The American Economy in 1960, by Gerhard Colm for the National Planning Association; Markets After Defense Expansion, prepared by the Office of Business Economics for Secretary of Commerce, Charles Sawyer; Resources for Freedom, by the President's Materials Policy Commission (cited hereafter as the Paley report); and our own staff report covering fiscal years 1954 and 1955. Tables A–1 and A–2 summarize information given in the various reports as well as provide historical data for calendar years 1950, 1951, 1952, and 1953, and the first quarter of 1954. Immediately below are summarized the assumptions underlying each of these reports. It may be noted that conceptually the four reports assume a maximum employment economy. In a sense, therefore, they represent in combination an approximation to a maximum employment trend model.

Staff report, Joint Committee on the Economic Report, February 1954

The assumptions underlying the staff's calculation of the maximum employment objective for fiscal years 1954 and 1955 which are given on page 43 of the report are repeated here:

(1) Average prices of finished products will stabilize at the January 1954 level;

(2) The ratio of labor force to population 14 years of age and over will remain constant through June 1955;

(3) Unemployment will continue at the seasonally adjusted rate of January 1954;

(4) Average hours of work will continue to decline slightly;

(5) Private output per man-hour will continue to increase about 2.5 percent per year;

(6) Federal expenditures and revenues will proceed as set forth in the President's budget; and

(7) International conditions will not change significantly.

The breakdown shown in the attached table for consumers, business, and government is that contained in the summary table on page 47 of the report. This involved the additional assumption that individual savings would be about 6.9 percent of disposable income in the current fiscal year and about 5.5 percent in fiscal 1955. Furthermore, it assumed an increase of private investment demand of some $8 billion over the spending plans revealed by surveys of business intentions early in the year.

Department of Commerce, Markets After Defense Expansion

The Department of Commerce study made the following assumptions:

(1) All dollar estimates were stated in 1951 prices;

(2) It was assumed that no significant cyclical change would occur between 1952, when the projection was made, and the year 1955, to which the model refers. They specifically stated they were assuming that there would be no decline in the period 1953 and 1954, with a subsequent recovery in 1955, since this would result in a different pattern of expenditures;

(3) The labor force, including the armed services, was assumed to be 68.5 million with armed forces at "over 3.5 million." Unemployment was assumed to be at the average ratio to the labor force which prevailed from 1946 to 1950;

(4) Average hours per week in private nonagricultural industries were assumed to be about 2 percent lower than the 39.7 hours prevailing in 1951;

(5) Output per man-hour in private nonagricultural industries was assumed to increase at 2½ percent per year, or about 10 percent from 1951 to 1955;

(6) Agricultural employment was assumed to decline moderately following a long-term trend, with productivity following the average annual increase of the postwar years;

(7) All tax rates and provisions of the tax law were assumed to remain at their present status, as of December 1952, implying a Federal surplus and a State and local deficit;

(8) Expenditures were based upon a rising trend in State and local demand and a level of Federal demand somewhat higher than in 1951 but below the peak rate reached in 1952–53. This was approximately the lower limit of a range of government estimates which they developed; and

(9) The ratio of personal consumption to disposable personal income was assumed to be 94 percent, or in other words a savings rate of 6 percent.

Gerhard Colm, National Planning Association, The American Economy in 1960

The Colm study resulted in a number of patterns out of which has been selected the so-called adjusted model for 1960. The most significant assumptions underlying this model seem to be the following:

(1) Federal expenditures for national security are assumed to be $40 billion in 1960 with 3.5 million persons in the armed services;

(2) The total labor force is assumed to be 72.5 million, with 3.5 million in the Armed Forces and 69 million in the civilian labor force. Unemployment is assumed at 2.8 million with a consequent civilian employment of 66.2 million This would be a 4 percent unemployment rate compared to 3 percent in 1951;

(3) Hours of work are assumed to decline from 40.3 hours (Census basis) to 39 hours in 1960;

(4) Private productivity or output per man-hour is assumed to increase at an annual rate of about 2.5 percent, which would bring the level to 25.1 percent above calendar 1951;

(5) Prices are assumed to remain constant at the average of calendar 1951, the same as the assumption made in the Commerce Department study;

(6) State and local taxes are assumed at slightly lower rates than a projection of recent trends would indicate;

(7) In the case of Federal taxes, the effective rates for personal taxes and corporate profits taxes are assumed to be the same as in 1949, while indirect business taxes are assumed to have the same ratio (4.5 percent) to consumption expenditures as was true before the temporary rate increases imposed in November 1951;

(8) Contributions to social insurance funds were based upon the assumption of a 20 percent increase in real wages before taxes over 1951 and scheduled increases in contribution rates in 1954 and 1960;

(9) Personal savings were assumed to be 5.4 percent of disposable personal income;

(10) Investment in plant and equipment is assumed to be about 10.5 percent of total private production, which is above the average past ratio but not quite so high as between 1947 and 1952 when the ratio was 12 percent;

(11) Investment in residential housing reflects assumptions regarding the adoption of policies "to meet housing needs more fully and improve the standard of living";

(12) A step-up is assumed in net capital export on the basis of assumed adoption both in the United States and potential debtor countries of policies stimulating private capital transactions; and

(13) Corporate profits before taxes are assumed to be a smaller percentage of national income (namely, 12 percent) than in other recent years but profits *after* taxes as a percent of the national income are assumed to be slightly higher than in 1951.

President's ·Materials Policy Commission, Resources for Freedom (Paley report)

Certain characteristics of the economic projection for 1975, which was used as a basis for the materials requirements estimates in the Paley report, should be noted before going into its detail:

(1) The date 1975 is used merely as an approximation to some point between 1970 and 1980.

(2) At no place in the published report is the actual quantitative model set forth in a consistent integrated table. The text gives a few magnitudes for population and labor force, but the text and tables otherwise are confined to approximate ratio or percentage changes from 1950 to 1975. Furthermore, due to the nature and use of the model, no projections are presented at all for some of the components of gross national product such as services, consumer nondurable goods, etc.

The Paley model is based on the estimate of the Bureau of the Census of the population in 1975 which will be 14 years of age and over. They assumed this figure to be 146 million, of which 82 million, or 56 percent, would be in the labor force; 4 million in the armed services; 7.5 million would be employed in agriculture; and 2.5 million, or about 3 percent, would be unemployed. In addition to the labor force assumption, they assumed that hours of work would be reduced about 15 percent from 1950 to 1975, while production per man-hour would rise about 2.5 percent per year. The result of the combined assumptions of the labor force, workweek, and production per man-hour would be an approximate doubling of gross national product between 1950 and 1975.

For their particular use the Commission needed to assume some figure for total population and the number of households. The population figure was taken from the Bureau of the Census' estimate of 193 million in 1975; while the number of households was estimated at 62.4 million in 1975 compared to 43 million in 1950.

Other assumptions may be set forth as follows:

(1) Relative prices are assumed to remain at 1950 levels;

(2) Producers' durable equipment is projected at 7 percent of the gross national product in 1975, as opposed to the 25-year average of between 5.6 percent and 6.3 percent and the 1950 base figure of 9.5 percent;

(3) Private nonresidential construction is projected at 2.2 percent to 2.5 percent of gross national product, the past 25-year average, as compared to the 1950 value of almost 3 percent of gross national product;

(4) Residential construction is based on an assumed level of between 1.3 million and 1.6 million new units per year by 1975;

(5) Public construction is projected at 50 percent above the 1950 level; and

(6) Consumer durables have averaged about 10 percent of total consumer expenditures during the past 25 years, or about 11 percent in high employment years; this compares to a figure of 15.6 percent for 1950. The Paley study assumes a ratio of 11 percent for 1975, or a 40 percent rise in such expenditures over the 1950 level.

The assumptions and projections as summarized above and in table 3, page 116 of volume II of the Paley report, have been combined in the tables below which show the 1950 values, the approximate percentage growth from 1950 to 1975 which they projected and our estimate of their figure in dollars of 1950 purchasing power obtained by multiplying the 1950 figure by their percentage change. It is to be noted that except for the population and labor force items they do not give any of the other figures shown in this table. These estimates were made by the committee staff to translate their percentage changes into figures comparable to the other models summarized in the table.

TABLE A-1.—*Comparison of various projections of growth in the supply of gross national product through 1975 together with actuals, 1950, through 1st quarter 1954*

[Dollar amounts in billions, prices as indicated in footnotes; labor force in millions]

Items	Actuals				
	Calendar 1950 [1]	Calendar 1951 [1]	Calendar 1952 [1]	Calendar 1953 [1]	1st quarter 1954 [1]
SUPPLY OF GROSS NATIONAL PRODUCT					
Total labor force [9]	64.7	66.0	66.6	67.0	66.9
Armed services	1.6	3.1	3.6	3.5	3.4
Civilian labor force	63.1	62.9	63.0	63.5	63.5
Employment	60.0	61.0	61.3	61.9	60.0
Unemployment	3.1	1.9	1.7	1.5	3.5
Hours of work	41.7	40.3	40.3	40.1	39.7
Private productivity (1951=100)	95.0	100.0	102.4	105.9	108.4
Gross national product	$286.8	$329.8	$348.0	$367.2	$357.8

Items	Joint Economic Committee [3] Staff		Department of Commerce [4] calendar 1955 [6]
	Fiscal 1954 [2]	Fiscal 1955 [2]	
SUPPLY OF GROSS NATIONAL PRODUCT			
Total labor force [9]	66.9	67.5	68.5
Armed services	3.4	3.2	3.5
Civilian labor force	63.5	64.3	
Employment	61.6	62.0	
Unemployment	1.9	2.3	
Hours of work	39.7	39.5	38.9
Private productivity (1951=100)	106.7	109.4	110.0
Gross national product	365.0	373.0	365.0

Items	Colm (NPA) [6] calendar 1960 [5]	Paley report [7]	
		Calendar 1975 [8]	Percentage change, 1950 to 1975
SUPPLY OF GROSS NATIONAL PRODUCT			
Total labor force [9]	72.5	82.0	+27
Armed services	3.5	4.0	
Civilian labor force	69.0	78.0	
Employment	66.2	75.5	
Unemployment	2.8	2.5	
Hours of work	39.0	35.4	-15
Private productivity (1951=100)	125.1	176.0	+85
Gross national product	425.0	574.0	+100

NOTE.—See footnotes on p. 26 for both this table (table A-1) and the following table (table A-2).

TABLE A–2.—*Comparison of various projections of growth in the demand for gross national product through 1975 together with actuals, 1950, through 1st quarter 1954*

[Dollar amounts in billions, prices as indicated in footnotes]

Items	Calendar 1950 [1]	Calendar 1951 [1]	Calendar 1952 [1]	Calendar 1953 [1]	First quarter 1954 [1]
DEMAND FOR GROSS NATIONAL PRODUCT					
Consumers	194. 6	208. 1	218. 1	229. 8	229. 8
Durable	29. 2	27. 3	26. 7	30. 1	28. 2
Nondurable	102. 6	113. 4	118. 8	121. 2	120. 4
Services	62. 7	67. 4	72. 7	78. 4	81. 3
Business	50. 2	59. 0	52. 3	52. 4	45. 8
Residential nonfarm	12. 6	11. 0	11. 1	11. 8	12. 3
Plant and equipment	32. 4	36. 8	37. 7	40. 0	39. 3
Inventory	7. 5	10. 9	. 3	2. 5	−4. 8
Net foreign investment	−2. 3	. 3	−. 2	−2. 0	−1. 0
Government	42. 0	62. 9	77. 5	84. 9	82. 2
State and local	19. 9	21. 8	23. 4	25. 2	27. 1
Federal	22. 1	41. 1	54. 2	59. 7	55. 1
National security	18. 5	37. 4	48. 9	51. 8	46. 9
Other	3. 6	3. 7	5. 3	7. 9	8. 2

Item	Joint Economic Committee [3] Staff		Department of Commerce [4] calendar 1955 [5]
	Fiscal 1954 [2]	Fiscal 1955 [2]	
DEMAND FOR GROSS NATIONAL PRODUCT			
Consumers	232. 8	238. 0	228. 0
Durable	29. 8	31. 0	31. 0
Nondurable	121. 5	122. 0	124. 0
Services	81. 5	85. 0	73. 0
Business	49. 0	55. 2	52. 0
Residential nonfarm	11. 8	12. 0	11. 0
Plant and equipment	39. 2	41. 2	38. 0
Inventory	−1. 0	2. 0	2. 0
Net foreign investment	−1. 0	0	1. 0
Government	83. 2	79. 8	85. 0
State and local	26. 2	28. 4	28. 0
Federal	57. 0	51. 4	57. 0
National security	50. 4	45. 5	51. 0
Other	6. 6	5. 9	6. 0

See footnotes at end of table, p. 26.

TABLE A-2.—*Comparison of various projections of growth in the demand for gross national product through 1975 together with actuals, 1950, through 1st quarter 1954*—Continued

Item	Colm (NPA),[6] calendar, 1960 [5]	Paley report [7]	
		Calendar, 1975 [5]	Percentage change, 1950 to 1975
DEMAND FOR GROSS NATIONAL PRODUCT			
Consumers	291. 1		
Durable		41. 0	+40
Nondurable			
Services			
Business	58. 4		
Residential nonfarm	11. 6	14. 5	+15
Plant and equipment	41. 4	48. 5	+50
Inventory	2. 9		
Net foreign investment	2. 5		
Government	75. 5		
State and local	28. 0		
Federal	47. 5		
National security	40. 0		
Other	7. 5		

FOOTNOTES FOR TABLE A-1 AND TABLE A-2

[1] Current prices.
[2] January 1954 prices.
[3] Report of the Joint Committee on the Economic Report on the January 1954 Economic Report of the President, with Supplemental Views and The Economic Outlook and other materials prepared by the committee staff.
[4] Markets After the Defense Expansion, U. S. Department of Commerce.
[5] 1951 prices.
[6] The American Economy in 1960, by Gerhard Colm, National Planning Association, Planning Pamphlets, No. 81.
[7] Resources for Freedom (Paley report), President's Materials Policy Commission, 1952.
[8] Dollar amounts estimated by the staff of the Joint Committee on the Economic Report, from the percentage changes given in the Paley report and, therefore, the dollar amounts are in 1950 prices.
[9] The data on labor force, employment, unemployment, and hours of work given in these tables are not strictly comparable for the years shown because of the shift by the Bureau of the Census to new population controls within the last year. Furthermore, in the case of hours of work there may be some lack of comparability because of this treatment o fthose with a job but not at work. The data given here are in the form in which it is believed they were publicly available at the time the various studies were made.

Comparison of the effects of the price assumptions in the various projections on the estimates of gross national product

It will be noted that both the Commerce and the National Planning Association models are based upon 1951 prices; the staff model is based upon January 1954 prices; the Paley report is based upon 1950 prices; and the historical data reflect current prices of each period. As a rough guide, the following calculations would indicate for the total gross national product the effects of a uniform price level throughout at the average of 1953:

Source and year	Gross national product as shown in original reports	Price level assumed in original report as percent of 1953	Gross national product in each study converted to the 1953 price level
Actual data for reference or benchmark years:			
Calendar year—			
1950	285.1	90.5	315.0
1951	328.2	97.5	336.7
1952	346.1	98.8	350.1
1953	364.9	100.0	364.9
Staff, Joint Committee on the Economic Report:			
Fiscal year—			
1954	365.0	100.6	363.0
1955	373.0	100.6	371.0
Department of Commerce: Calendar 1955	365.0	97.5	374.0
National Planning Association (Colm): Calendar 1960	425.0	97.5	436.0
Staff, Joint Committee on the Economic Report: Calendar 1965	[1] 525.0	100.0	[1] 525.0
Paley report: Calendar 1975	574.0	90.5	634.0

[1] This is $10 billion less than the $535 billion used elsewhere in this report as the estimate for 1965. This reduction has been made to eliminate the allowance for increased compensation of Government employees which has been assumed in this study but which is not allowed for in the constant dollar projections of other studies to which comparisons are made in this table.

APPENDIX B

SUPPORTING TABLES

The tables which follow provide the historical and supporting data for the text and for the charts.

TABLE B-1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*

Item	1900	1901	1902	1903	1904
Population (in thousands):					
Both sexes: All ages	76,094	77,585	79,160	80,632	82,165
0 to 9	18,061	18,317	18,579	18,803	19,028
10 to 13	6,521	6,594	6,671	6,737	6,806
14 to 17	} 16,512	16,826	17,164	17,490	17,831
18 to 24					
25 to 34	12,163	12,440	12,736	13,018	13,316
35 to 44	9,271	9,504	9,747	9,975	10,211
45 to 64	10,466	10,728	11,006	11,276	11,558
65 and over	3,100	3,176	3,256	3,334	3,416
Males: All ages	38,869	39,649	40,480	41,263	42,082
0 to 9	9,121	9,249	9,380	9,493	9,607
10 to 13	3,300	3,336	3,374	3,407	3,441
14 to 17	} 8,914	8,358	8,536	8,710	8,894
18 to 24					
25 to 34	6,272	6,418	6,577	6,731	6,895
35 to 44	4,909	5,032	5,160	5,280	5,404
45 to 64	5,506	5,653	5,809	5,961	6,120
65 and over	1,567	1,604	1,643	1,681	1,722
Female: All ages	37,226	37,936	38,680	39,369	40,083
0 to 9	8,940	9,068	9,199	9,310	9,421
10 to 13	3,221	3,258	3,297	3,330	3,365
14 to 17	} 8,318	8,468	8,628	8,780	8,937
18 to 24					
25 to 34	5,891	6,022	6,159	6,287	6,421
35 to 44	4,362	4,472	4,587	4,695	4,807
45 to 64	4,960	5,075	5,197	5,315	5,438
65 and over	1,533	1,572	1,613	1,653	1,694
Number of households (in millions)	16.0	16.3	16.7	17.1	17.5
Persons per household	4.76	4.75	4.74	4.71	4.69

Table B–1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*—Continued

Item	1905	1906	1907	1908	1909
Population (in thousands):					
Both sexes: All ages	83,820	85,437	87,000	88,709	90,492
0 to 9	19,270	19,494	19,699	19,931	20,180
10 to 13	6,884	6,960	7,033	7,120	7,216
14 to 17	18,201	18,562	18,909	19,281	19,653
18 to 24					
25 to 34	13,635	13,950	14,256	14,585	14,924
35 to 44	10,460	10,706	10,945	11,202	11,472
45 to 64	11,865	12,172	12,479	12,814	13,169
65 and over	3,504	3,592	3,680	3,776	3,876
Male: All ages	42,968	43,836	44,679	45,595	46,546
0 to 9	9,730	9,844	9,949	10,068	10,196
10 to 13	3,481	3,519	3,557	3,601	3,650
14 to 17	9,093	9,288	9,476	9,676	9,875
18 to 24					
25 to 34	7,071	7,246	7,416	7,598	7,784
35 to 44	5,535	5,664	5,789	5,923	6,063
45 to 64	6,293	6,466	6,640	6,828	7,027
65 and over	1,765	1,809	1,853	1,901	1,951
Female: All ages	40,852	41,600	42,321	43,114	43,945
0 to 9	9,540	9,650	9,750	9,863	9,984
10 to 13	3,403	3,441	3,476	3,519	3,566
14 to 17	9,108	9,274	9,433	9,605	9,778
18 to 24					
25 to 34	6,564	6,704	6,840	6,987	7,140
35 to 44	4,925	5,042	5,156	5,279	5,409
45 to 64	5,572	5,706	5,839	5,986	6,142
65 and over	1,739	1,783	1,827	1,875	1,925
Number of households (in millions)	17.9	18.4	18.9	19.4	19.9
Persons per household	4.67	4.64	4.60	4.57	4.55

Item	1910	1911	1912	1913	1914
Population (in thousands):					
Both sexes: All ages	92,407	93,868	95,331	97,227	99,118
0 to 9	20,473	20,728	20,995	21,365	21,741
10 to 13	7,323	7,434	7,555	7,717	7,888
14 to 17	20,033	20,202	20,343	20,551	20,733
18 to 24					
25 to 34	15,276	15,527	15,770	16,075	16,371
35 to 44	11,762	12,006	12,255	12,563	12,875
45 to 64	13,555	13,895	14,246	14,672	15,110
65 and over	3,985	4,075	4,168	4,283	4,400
Male: All ages	47,554	48,292	49,020	49,961	50,889
0 to 9	10,346	10,475	10,610	10,798	10,988
10 to 13	3,703	3,759	3,820	3,902	3,988
14 to 17	10,074	10,151	10,208	10,296	10,367
18 to 24					
25 to 34	7,971	8,088	8,197	8,334	8,461
35 to 44	6,213	6,336	6,461	6,615	6,771
45 to 64	7,242	7,431	7,626	7,860	8,099
65 and over	2,006	2,051	2,098	2,156	2,215
Female: All ages	44,852	45,576	46,311	47,266	48,229
0 to 9	10,127	10,253	10,385	10,567	10,753
10 to 13	3,620	3,675	3,735	3,815	3,900
14 to 17	9,959	10,051	10,135	10,255	10,366
18 to 24					
25 to 34	7,305	7,439	7,573	7,741	7,910
35 to 44	5,549	5,670	5,794	5,948	6,104
45 to 64	6,313	6,464	6,620	6,812	7,011
65 and over	1,979	2,024	2,070	2,127	2,185
Number of households (in millions)	20.3	20.8	21.2	21.7	22.2
Persons per household	4.54	4.52	4.49	4.48	4.47

TABLE B–1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*—Continued

Item	1915	1916	1917	1918	1919
Population (in thousands):					
Both sexes: All ages	100, 549	101, 966	103, 414	104, 550	105, 063
0 to 9	22, 020	22, 299	22, 573	22, 840	22, 836
10 to 13	8, 036	8, 181	8, 331	8, 503	8, 539
14 to 17	20, 794	20, 842			
18 to 24			51, 538	51, 735	51, 945
25 to 34	16, 581	16, 778			
35 to 44	13, 132	13, 390			
45 to 64	15, 487	15, 871	16, 260	16, 648	16, 860
65 and over	4, 501	4, 605	4, 712	4, 823	4, 883
Male: All ages	51, 571	52, 238	52, 934	53, 316	53, 658
0 to 9	11, 129	11, 270	11, 409	11, 544	11, 542
10 to 13	4, 059	4, 132	4, 208	4, 306	4, 315
14 to 17	10, 378	10, 375			
18 to 24			26, 225	26, 116	26, 311
25 to 34	8, 540	8, 609			
35 to 44	6, 897	7, 022			
45 to 64	8, 304	8, 511	8, 719	8, 921	9, 031
65 and over	2, 266	2, 319	2, 373	2, 429	2, 459
Female: All ages	48, 978	49, 728	50, 480	51, 234	51, 405
0 to 9	10, 891	11, 029	11, 164	11, 296	11, 294
10 to 13	3, 977	4, 049	4, 123	4, 197	4, 224
14 to 17	10, 416	10, 467	10, 516	10, 562	10, 491
18 to 24					
25 to 34	8, 041	8, 169	8, 295	8, 418	8, 442
35 to 44	6, 235	6, 368	6, 502	6, 639	6, 701
45 to 64	7, 183	7, 360	7, 541	7, 727	7, 829
65 and over	2, 235	2, 286	2, 339	2, 394	2, 424
Number of households (in millions)	22. 6	23. 0	23. 5	23. 9	24. 1
Persons per household	4. 45	4. 43	4. 41	4. 38	4. 36

Item	1920	1921	1922	1923	1924
Population (in thousands):					
Both sexes: All ages	106, 466	108, 541	110, 055	111, 950	114, 113
0 to 9	23, 154	23, 518	23, 762	23, 961	24, 210
10 to 13	8, 600	8, 789	8, 928	9, 070	9, 196
14 to 17	20, 859	21, 230			
18 to 24			21, 538	21, 976	22, 537
25 to 34	17, 417	17, 747	17, 924	18, 230	18, 558
35 to 44	14, 383	14, 666	14, 824	15, 069	15, 339
45 to 64	17, 123	17, 513	17, 850	18, 230	18, 665
65 and over	4, 929	5, 077	5, 229	5, 414	5, 608
Male: All ages	54, 295	55, 292	55, 891	56, 864	57, 987
0 to 9	11, 711	11, 898	12, 022	12, 129	12, 265
10 to 13	4, 334	4, 424	4, 491	4, 560	4, 620
14 to 17	10, 313	10, 523	10, 663	10, 910	11, 216
18 to 24					
25 to 34	8, 778	8, 914	8, 943	9, 100	9, 282
35 to 44	7, 536	7, 666	7, 708	7, 835	7, 969
45 to 64	9, 138	9, 308	9, 434	9, 604	9, 809
65 and over	2, 484	2, 559	2, 630	2, 726	2, 826
Female: All ages	52, 171	53, 250	54, 164	55, 086	56, 126
0 to 9	11, 443	11, 620	11, 740	11, 832	11, 945
10 to 13	4, 266	4, 365	4, 437	4, 510	4, 576
14 to 17	10, 546	10, 707	10, 875	11, 066	11, 321
18 to 24					
25 to 34	8, 639	8, 833	8, 981	9, 130	9, 276
35 to 44	6, 847	7, 000	7, 116	7, 234	7, 370
45 to 64	7, 985	8, 207	8, 416	8, 626	8, 856
65 and over	2, 445	2, 518	2, 599	2, 688	2, 782
Number of households (in millions)	24. 7	25. 3	25. 8	26. 4	27. 0
Persons per household	4. 31	4. 29	4. 26	4. 24	4. 22

Table B–1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*—Continued

Item	1925	1926	1927	1928	1929
Population (in thousands):					
Both sexes: All ages	115,832	117,399	119,038	120,501	121,770
0 to 9	24,401	24,480	24,546	24,470	24,321
10 to 13	9,275	9,344	9,418	9,498	9,544
14 to 17	} 22,940	23,312	23,730	24,135	24,495
18 to 24					
25 to 34	18,723	18,867	18,948	18,953	18,942
35 to 44	15,578	15,845	16,174	16,538	16,918
45 to 64	19,127	19,590	20,091	20,408	21,075
65 and over	5,789	5,961	6,131	6,298	6,475
Male: All ages	58,820	59,590	60,402	61,100	61,684
0 to 9	12,373	12,418	12,450	12,410	12,331
10 to 13	4,659	4,694	4,735	4,783	4,818
14 to 17	} 11,405	11,592	11,803	11,995	12,157
18 to 24					
25 to 34	9,364	9,432	9,472	9,461	9,430
35 to 44	8,069	8,191	8,345	8,513	8,692
45 to 64	10,035	10,264	10,516	10,777	11,010
65 and over	2,915	2,999	3,081	3,160	3,245
Female: All ages	57,012	57,809	58,636	59,401	60,086
0 to 9	12,028	12,062	12,096	12,060	11,990
10 to 13	4,616	4,650	4,683	4,715	4,726
14 to 17	} 11,535	11,720	11,927	12,140	12,338
18 to 24					
25 to 34	9,359	9,435	9,476	9,492	9,512
35 to 44	7,509	7,654	7,829	8,025	8,225
45 to 64	9,092	9,326	9,575	9,831	10,065
65 and over	2,874	2,962	3,050	3,138	3,230
Number of households (in millions)	27.6	28.1	28.6	29.1	29.5
Persons per household	4.20	4.18	4.17	4.15	4.12

Item	1930	1931	1932	1933	1934
Population (in thousands):					
Both sexes: All ages	123,077	124,040	124,840	125,579	126,374
0 to 9	23,963	23,648	23,223	22,789	22,312
10 to 13	9,676	9,794	9,919	9,953	9,983
14 to 17	9,369	9,388	9,404	9,445	9,527
18 to 24	15,483	15,595	15,687	15,777	15,874
25 to 34	19,039	19,242	19,484	19,750	20,022
35 to 44	17,270	17,411	17,504	17,569	17,640
45 to 64	21,571	22,031	22,473	22,934	23,434
65 and over	6,706	6,929	7,146	7,362	7,582
Male: All ages	62,297	62,726	63,070	63,384	63,726
0 to 9	12,161	12,001	11,790	11,574	11,334
10 to 13	4,895	4,946	4,999	5,012	5,028
14 to 17	4,695	4,707	4,714	4,730	4,766
18 to 24	7,629	7,701	7,761	7,816	7,867
25 to 34	9,461	9,546	9,652	9,774	9,903
35 to 44	8,848	8,897	8,920	8,928	8,939
45 to 64	11,249	11,466	11,675	11,894	12,132
65 and over	3,360	3,460	3,559	3,657	3,757
Female: All ages	60,780	61,314	61,770	62,195	62,648
0 to 9	11,802	11,647	11,433	11,215	10,978
10 to 13	4,781	4,848	4,920	4,941	4,955
14 to 17	4,674	4,681	4,690	4,715	4,761
18 to 24	7,854	7,894	7,926	7,961	8,007
25 to 34	9,578	9,696	9,832	9,976	10,119
35 to 44	8,422	8,514	8,584	8,641	8,701
45 to 64	10,322	10,565	10,798	11,040	11,302
65 and over	3,346	3,469	3,587	3,705	3,825
Number of households (in millions)	30.0	30.4	30.7	31.1	31.6
Persons per household	4.10	4.08	4.06	4.04	4.00

TABLE B-1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*—Continued

Item	1935	1936	1937	1938	1939
Population (in thousands):					
Both sexes: All ages	127, 250	128, 053	128, 824	129, 825	130, 880
0 to 9	21, 959	21, 658	21, 344	21, 232	21, 214
10 to 13	9, 941	9, 840	9, 747	9, 612	9, 457
14 to 17	9, 652	9, 783	9, 857	9, 908	9, 898
18 to 24	15, 961	16, 033	16, 111	16, 225	16, 370
25 to 34	20, 275	20, 506	20, 723	20, 953	21, 176
35 to 44	17, 713	17, 783	17, 866	18, 001	18, 178
45 to 64	23, 946	24, 443	24, 922	25, 386	25, 823
65 and over	7, 803	8, 027	8, 258	8, 508	8, 765
Male: All ages	64, 110	64, 459	64, 790	65, 235	65, 713
0 to 9	11, 153	10, 989	10, 835	10, 771	10, 766
10 to 13	5, 013	4, 973	4, 934	4, 874	4, 797
14 to 17	4, 827	4, 893	4, 936	4, 971	4, 976
18 to 24	7, 907	7, 934	7, 962	8, 009	8, 076
24 to 34	10, 025	10, 137	10, 242	10, 351	10, 452
35 to 44	8. 952	8, 964	8, 984	9, 031	9, 100
45 to 64	12. 375	12, 610	12, 837	13, 053	13, 257
65 and over	3, 858	3, 959	4, 063	4. 176	4, 291
Female: All ages	63, 140	63, 594	64, 035	64, 590	65, 166
0 to 9	10, 806	10, 649	10, 509	10, 461	10, 448
10 to 13	4, 928	4, 867	4, 813	4, 738	4, 660
14 to 17	4, 825	4, 890	4. 921	4, 938	4, 922
18 to 24	8, 054	8, 099	8, 149	8, 216	8, 294
25 to 34	10, 250	10, 369	10, 481	10, 602	10, 724
35 to 44	8, 761	8, 819	8, 882	8, 970	9, 078
45 to 64	11. 571	11, 833	12, 085	12, 333	12, 566
65 and over	3. 945	4, 068	4, 195	4, 332	4, 474
Number of households (in millions)	32. 2	32. 7	33. 3	33. 9	34. 5
Persons per household	3. 96	3. 91	3. 86	3. 83	3. 79

Item	1940	1941	1942	1943	1944
Population (in thousands):					
Both sexes: All ages	132, 124	133, 404	134, 862	136, 739	138, 396
0 to 9	21, 227	21, 373	21, 714	22, 455	23, 145
10 to 13	9, 295	9, 172	9, 051	8, 935	8, 682
14 to 17	9, 846	9, 754	9, 617	9, 476	9, 361
18 to 24	16, 608	16, 715	16, 838	16, 914	16, 908
25 to 34	21, 446	21, 691	21, 912	22, 194	22, 511
35 to 44	18, 422	18, 692	18, 950	19, 126	19, 504
45 to 64	26, 249	26, 719	27, 197	27, 671	28, 138
65 and over	9, 031	9, 288	9, 583	9, 868	10, 147
Male: All ages	66, 352	66, 921	67, 598	68, 545	69, 377
0 to 9	10, 774	10, 849	11, 020	11, 386	11, 760
10 to 13	4, 714	4, 656	4, 609	4, 574	4, 408
14 to 17	4, 962	4, 915	4, 832	4, 757	4, 719
18 to 24	8, 243	8, 321	8, 425	8, 497	8, 500
25 to 34	10, 589	10, 690	10, 783	10, 948	11, 152
35 to 44	9, 212	9, 321	9, 428	9, 556	9, 687
45 to 64	13, 449	13, 648	13, 850	14, 052	14. 252
65 and over	4, 409	4, 521	4, 651	4, 775	4, 899
Female: All ages	65, 772	66, 483	67, 264	68, 194	69, 019
0 to 9	10, 453	10, 524	10, 694	11, 069	11, 385
10 to 13	4, 581	4, 516	4, 442	4, 361	4, 274
14 to 17	4, 884	4, 839	4, 785	4, 719	4, 642
18 to 24	8, 365	8, 394	8, 413	8, 417	8, 408
25 to 34	10, 857	11, 001	11, 129	11, 246	11, 359
35 to 44	9, 210	9, 371	9, 522	9, 670	9, 817
45 to 64	12, 800	13, 071	13, 347	13, 619	13. 886
65 and over	4, 622	4. 767	4, 932	5, 093	5, 248
Number of households (in millions)	35. 1	35. 9	36. 5	37. 0	37. 2
Persons per household	3. 76	3. 72	3. 69	3. 70	3. 72

TABLE B-1.—*Estimated population of the United States, including Armed Forces overseas, by age and sex, number of households, and persons per household, actuals July 1, 1900–1953, projection July 1, 1965*—Continued

Item	1945	1946	1947	1948	1949
Population (in thousands):					
Both sexes: All ages	139, 928	141, 389	144, 124	146, 632	149, 187
0 to 9	23, 801	24, 340	25, 957	27, 199	28, 410
10 to 13	8, 559	8, 566	8, 542	8, 667	8, 828
14 to 17	9, 133	8, 916	8, 867	8, 703	8, 589
18 to 24	16, 790	16, 649	16, 418	16, 305	16, 119
25 to 34	22, 733	22, 954	23, 236	23, 495	23, 728
35 to 44	19, 787	20, 072	20, 421	20, 794	21, 187
45 to 64	28, 631	29, 064	29, 498	29, 930	30, 405
65 and over	10, 494	10, 828	11, 185	11, 539	11, 921
Male: All ages	70, 034	70, 631	71, 944	73, 130	74, 335
0 to 9	12, 101	12, 374	13, 210	13, 846	14, 464
10 to 13	4, 362	4, 385	4, 354	4, 414	4, 493
14 to 17	4, 574	4, 446	4, 487	4, 403	4, 356
18 to 24	8, 412	8, 305	8, 133	8, 097	8, 002
25 to 34	11, 256	11, 341	11, 473	11, 577	11, 863
35 to 44	9, 812	9, 935	10, 103	10, 280	10, 473
45 to 64	14, 465	14, 646	14, 831	15, 014	15, 225
65 and over	5, 052	5, 199	5, 353	5, 499	5, 659
Female: All ages	69, 894	70, 758	72, 180	73, 502	74, 852
0 to 9	11, 700	11, 966	12, 747	13, 353	13, 946
10 to 13	4, 197	4, 181	4, 188	4, 253	4, 335
14 to 17	4, 559	4, 470	4, 380	4, 300	4, 233
18 to 24	8, 378	8, 344	8, 285	8, 208	8, 117
25 to 34	11, 477	11, 613	11, 763	11, 918	12, 066
35 to 44	9, 975	10, 137	10, 318	10, 514	10, 714
45 to 64	14, 166	14, 418	14, 667	14, 916	15, 180
65 and over	5, 442	5, 629	5, 832	6, 040	6, 262
Number of households (in millions)	37. 7	38. 5	39. 8	41. 3	42. 7
Persons per household	3. 71	3. 67	3. 62	3. 55	3. 49

Item	1950	1951	1952	1953	1965
Population (in thousands):					
Both sexes: All ages	151, 683	154, 361	157, 024	159, 630	189, 916
0 to 9	29, 619	30, 893	32, 088	32, 991	37, 616
10 to 13	8, 986	9, 217	9, 522	10, 137	15, 166
14 to 17	8, 445	8, 531	8, 736	8, 888	13, 914
18 to 24	16, 014	15, 754	15, 496	15, 343	20, 342
25 to 34	23, 926	24, 083	24, 199	24, 255	22, 269
35 to 44	21, 570	21, 894	22, 145	22, 360	24, 061
45 to 64	30, 837	31, 345	31, 842	32, 332	39, 212
65 and over	12, 286	12, 644	12, 996	13, 324	17, 336
Male: All ages	75, 530	76, 825	78, 101	79, 354	93, 702
0 to 9	15, 084	15, 739	16, 357	16, 824	19, 217
10 to 13	4, 572	4, 691	4, 843	5, 154	7, 750
14 to 17	4, 271	4, 320	4, 435	4, 522	7, 096
18 to 24	7, 983	7, 883	7, 778	7, 723	10, 304
25 to 34	11, 746	11, 824	11, 876	11, 909	11, 141
35 to 44	10, 662	10, 804	10, 905	10, 992	11, 789
45 to 64	15, 406	15, 610	15, 804	15, 994	18, 801
65 and over	5, 806	5, 954	6, 103	6, 236	7, 604
Female: All ages	76, 153	77, 536	78, 923	80, 276	96, 214
0 to 9	14, 535	15, 154	15, 731	16, 167	18, 399
10 to 13	4, 414	4, 526	4, 679	4, 983	7, 416
14 to 17	4, 174	4, 211	4, 301	4, 366	6, 818
18 to 24	8, 031	7, 871	7, 718	7, 620	10, 038
25 to 34	12, 180	12, 259	12, 323	12, 346	11, 128
35 to 44	10, 908	11, 090	11, 240	11, 368	12, 272
45 to 64	15, 431	15, 735	16, 038	16, 338	20, 411
65 and over	6, 480	6, 690	6, 893	7, 088	9, 732
Number of households (in millions)	44. 1	45. 1	46. 1	47. 0	56. 0
Persons per household	3. 44	3. 42	3. 41	3. 40	3. 4

Source: Population—U. S. Department of Commerce, Bureau of the Census. Households—Estimated by the staff of the Joint Committee on the Economic Report on the basis of data from the Bureau of the Census, and from Statistics and Economics of Housing, by C. F. Roos, D. J. Ahearn, T. L. Podea, and O. E. Young, a committee print, Joint Committee on Housing, U. S. Congress, Mar. 19, 1948, p. 6, table 1-c.

TABLE B-2.—*Estimated labor force in the United States, actuals 1900–1953, projections for 1965*

[In millions]

Years	Total population 14 years and over	Total labor force	Armed Forces	Civilian labor force	Unemployment	Percent of civilian labor force	Civilian employment Total	Agricultural	Private nonagricultural	General government
1900	51.5				1.4	5.1				
1901	52.7				.6	2.2				
1902	54.0				.6	2.2				
1903	55.1				.6	1.9				
1904	56.4				1.2	3.8				
1905	57.6				.6	1.8				
1906	58.9				.4	1.2				
1907	60.3				.3	.9				
1908	61.6				2.3	6.5				
1909	63.1				1.0	3.0				
1910	64.6				1.2	3.3				
1911	65.7				1.5	4.0				
1912	66.8				1.8	4.7				
1913	68.1				1.1	2.8				
1914	69.5				2.6	6.7				
1915	70.4				3.5	8.8				
1916	71.5				1.7	4.2				
1917	72.5				1.8	4.4				
1918	73.2				.6	1.4				
1919	73.7				.9	2.3				
1920	74.7				1.7	4.0				
1921	76.2				5.0	11.9				
1922	77.4				3.2	7.6				
1923	78.9				1.4	3.2				
1924	80.7				2.4	5.5				
1925	82.1				1.8	4.0				
1926	83.6				.9	1.9				
1927	85.0				1.9	4.1				
1928	86.5				2.1	4.4				
1929	87.9	49.4	0.26	49.2	1.5	3.2	47.6	10.4	34.4	2.8
1930	89.5	50.1	.26	49.8	4.3	8.8	45.5	10.3	32.1	3.0
1931	90.6	50.7	.26	50.4	8.0	15.9	42.4	10.3	29.1	3.0
1932	91.7	51.2	.25	51.0	12.1	23.6	38.9	10.2	25.8	3.0
1933	92.9	51.8	.25	51.6	12.8	24.9	38.8	10.1	25.7	3.0
1934	94.1	52.5	.26	52.2	11.3	21.7	40.9	9.9	27.9	3.1
1935	95.4	53.1	.27	52.9	10.6	20.1	42.3	10.1	29.0	3.2
1936	96.6	53.7	.30	53.4	9.0	17.0	44.4	10.0	31.0	3.4
1937	97.7	54.3	.32	54.0	7.7	14.3	46.3	9.8	33.0	3.5
1938	99.0	54.9	.34	54.6	10.4	19.0	44.2	9.7	30.9	3.6
1939	100.2	55.6	.37	55.2	9.5	17.2	45.7	9.6	32.4	3.7
1940	101.6	56.2	.54	55.6	8.1	14.6	47.5	9.5	34.2	3.8
1941	102.9	57.5	1.6	55.9	5.6	9.9	50.3	9.1	37.2	4.1
1942	104.1	60.4	4.0	56.4	2.7	4.7	53.7	9.2	39.7	4.8
1943	105.3	64.6	9.0	55.5	1.1	1.9	54.5	9.1	39.9	5.5
1944	106.6	66.0	11.4	54.6	.7	1.2	54.0	8.9	39.5	5.5
1945	107.6	65.3	11.4	53.9	1.0	1.9	52.8	8.6	38.9	5.4
1946	108.5	61.0	3.4	57.5	2.3	3.9	55.2	8.3	41.9	5.0
1947	109.6	61.8	1.6	60.2	2.1	3.6	58.0	8.3	44.0	4.8
1948	110.8	62.9	1.5	61.4	2.1	3.3	59.4	8.0	46.4	5.0
1949	111.9	63.7	1.6	62.1	3.4	5.4	58.7	8.0	45.5	5.2
1950	113.1	64.7	1.6	63.1	3.1	4.9	60.0	7.5	47.2	5.3
1951	114.3	66.0	3.1	62.9	1.9	2.9	61.0	7.1	48.3	5.7
1952	115.4	66.6	3.6	63.0	1.7	2.6	61.3	6.8	48.6	5.9
1953	116.5	67.0	3.5	63.5	1.5	2.4	62.0	6.7	49.4	5.9
1965	137.1	79.0	3.0	76.0	3.0	4.0	73.0	5.5	60.0	7.5

NOTE.—Population 14 years of age and over refers to July 1, all other data refer to annual averages. General government employment excludes employees of government commercial-type enterprises.

Source: Total population 14 years and over, table B-1; Unemployment 1900–1928: Preliminary estimates from a study of the Labor Force 1900–1928 by Stanley Lebergott. The unemployment estimates will be published in the proceedings of the Conference on Unemployment sponsored by the National Bureau of Economic Research, September 1951; Labor Force: 1929–53, Bureau of Labor Statistics, Department of Labor, and Bureau of the Census, Department of Commerce; 1965 estimates, staff, Joint Committee on the Economic Report, see text, pp. 4, 5.

TABLE B–3.—*Gross national product (constant dollars) per man-hour by major sectors, 1910–53; estimated 1965*

Year	Gross national product (billions of 1953 dollars)			Man-hours employed (billions)			Real product per man-hour (1953 dollars)		
	Private	Farm	Private non-farm	Private	Farm [1]	Private non-farm	Private	Farm	Private non-farm
1910	99.4	15.0	84.4	93.4	22.5	70.9	1.064	0.667	1.190
1911	99.4	14.4	85.0	92.7	23.0	69.7	1.072	.626	1.220
1912	109.1	16.6	92.5	95.3	23.3	72.0	1.145	.712	1.285
1913	106.9	14.8	92.1	95.2	23.0	72.2	1.123	.643	1.276
1914	105.6	15.7	89.9	93.4	23.7	69.7	1.131	.662	1.290
1915	104.0	17.7	86.3	93.2	23.2	70.0	1.116	.763	1.233
1916	112.2	15.6	96.6	99.3	23.1	76.2	1.130	.675	1.268
1917	117.9	16.5	101.4	106.5	23.8	82.7	1.107	.693	1.226
1918	121.0	15.6	105.4	108.8	24.1	84.7	1.112	.647	1.244
1919	120.7	16.1	104.6	100.1	23.6	76.5	1.206	.682	1.367
1920	119.1	15.8	103.3	98.8	24.0	74.8	1.205	.659	1.381
1921	103.6	14.8	88.8	87.1	22.1	65.0	1.189	.670	1.366
1922	121.5	15.8	105.7	94.6	22.9	71.7	1.284	.690	1.474
1923	137.9	16.6	121.3	102.4	23.1	79.3	1.347	.719	1.530
1924	136.7	15.9	120.8	99.6	23.3	76.3	1.372	.682	1.583
1925	150.3	17.1	133.2	104.2	23.8	80.4	1.442	.718	1.657
1926	157.7	16.7	141.0	108.2	23.9	84.3	1.457	.699	1.673
1927	158.2	17.7	140.5	108.1	22.9	85.2	1.463	.773	1.649
1928	160.1	16.8	143.3	109.4	23.4	86.0	1.463	.718	1.666
1929	168.8	17.3	151.5	113.5	23.2	90.3	1.487	.746	1.678
1930	151.5	16.1	135.4	105.0	22.9	82.1	1.443	.703	1.649
1931	141.1	18.4	122.7	95.2	23.4	71.8	1.482	.786	1.709
1932	118.6	17.6	101.0	83.8	22.6	61.2	1.415	.779	1.650
1933	113.1	17.2	95.9	81.8	22.6	59.2	1.383	.761	1.620
1934	122.8	14.2	108.6	81.3	20.2	61.1	1.510	.703	1.777
1935	139.1	17.2	121.9	85.8	21.1	64.7	1.621	.815	1.884
1936	154.0	14.9	139.1	92.3	20.4	71.9	1.668	.730	1.935
1937	168.3	18.5	149.8	98.0	22.1	75.9	1.717	.837	1.974
1938	157.9	18.8	139.1	89.7	20.6	69.1	1.760	.913	2.013
1939	171.6	18.7	152.9	94.5	20.7	73.8	1.816	.903	2.072
1940	187.6	18.4	169.2	98.5	20.4	78.1	1.905	.902	2.166
1941	214.9	19.8	195.1	107.1	20.0	87.1	2.007	.990	2.240
1942	234.5	21.8	212.7	116.7	20.8	95.9	2.009	1.048	2.218
1943	245.3	20.4	224.9	120.9	20.7	100.2	2.029	.986	2.245
1944	260.3	20.5	239.8	120.0	20.5	99.5	2.169	1.000	2.410
1945	255.6	19.7	235.9	114.0	19.1	94.9	2.242	1.031	2.486
1946	249.4	20.2	229.2	116.1	18.4	97.7	2.148	1.098	2.346
1947	255.0	19.2	235.8	120.0	17.6	102.4	2.125	1.091	2.303
1948	269.0	21.6	247.4	120.8	17.1	103.7	2.227	1.263	2.386
1949	265.2	20.9	244.3	115.2	16.6	98.6	2.302	1.259	2.478
1950	291.9	21.8	270.1	118.0	15.2	102.8	2.474	1.434	2.627
1951	307.4	20.7	286.7	123.7	15.6	108.1	2.485	1.327	2.652
1952	318.4	20.7	297.7	124.6	15.2	109.4	2.555	1.362	2.721
1953	333.5	21.7	311.8	126.3	[2] 15.1	[2] 111.2	2.641	1.437	2.804
1965 [3]	489.0	23.0	466.0	[4] 134.3	[4] 11.3	[4] 123.0	[4] 3.641	[4] 2.040	[4] 3.790

[1] These farm man-hours represent adult equivalent man-hours rather than those actually worked. They are estimated by the Department of Agriculture from results of farm management studies and show the number of man-hours adult workers would need to work to produce the output of a particular year. Estimates of the actual hours worked by all farmworkers, including women and children are not available, particularly for the earlier years.

[2] Preliminary.

[3] Estimated by staff, Joint Committee on the Economic Report.

[4] These figures for 1965 will not agree as to level with those shown in table 1 of the text. This results from the fact that table 1 is built around employment and hours data from the Monthly Report on the Labor Force of the Bureau of the Census, while the historical series utilized in this table are based on a variety of data from the Departments of Agriculture, Labor, and Commerce in order to obtain a historical series going back prior to the beginning of the work of the Bureau of the Census in estimating employment and hours. For the period 1941–53 for which both sets of data are available the movements are similar. The rate of change between 1953 and 1965, however, is exactly the same as in table 1 of the text.

NOTE.—Private gross national product is total gross national product less compensation of general government employees (Department of Commerce data).

Source: Data are revisions by staff, Joint Committee on the Economic Report, of estimates of John W. Kendrick in his paper, National Productivity and Its Long-Term Projection, Conference on Research in Income and Wealth, May 1951. These revisions reflect: (1) use of later data from the Departments of Commerce and Agriculture; and (2) a shift from 1939 to 1953 prices.

TABLE B-4.—*Gross national product, total and per capita, 1909–53; estimated, 1965, and comparative estimates for various years from other studies*

[In 1953 dollars]

Year	Gross national product (billions of 1953 dollars)	Population (in millions)	Gross national product per capita	Year	Gross national product (billions of 1953 dollars)	Population (in millions)	Gross national product per capita
1909	$102.4	90.5	$1,131	1934	$134.9	126.4	$1,067
1910	105.1	92.4	1,137	1935	152.1	127.2	1,196
1911	105.2	93.9	1,120	1936	169.6	128.1	1,324
1912	114.9	95.3	1,206	1937	182.7	128.8	1,418
1913	113.1	97.2	1,164	1938	173.6	129.9	1,336
1914	112.0	99.1	1,130	1939	187.4	130.9	1,432
1915	110.4	100.5	1,099	1940	204.2	132.1	1,546
1916	118.7	101.9	1,165	1941	235.9	133.4	1,768
1917	125.2	103.4	1,211	1942	266.1	134.9	1,973
1918	131.6	104.5	1,259	1943	296.2	136.7	2,167
1919	131.3	105.1	1,249	1944	319.2	138.4	2,306
1920	127.3	106.5	1,195	1945	313.1	139.9	2,238
1921	111.4	108.5	1,027	1946	278.2	141.4	1,967
1922	129.0	110.1	1,172	1947	276.3	144.1	1,917
1923	145.5	111.9	1,300	1948	290.2	146.6	1,980
1924	144.6	114.1	1,267	1949	287.4	149.2	1,924
1925	158.4	115.8	1,368	1950	315.0	151.7	2,076
1926	165.9	117.4	1,413	1951	336.7	154.4	2,181
1927	168.5	119.0	1,416	1952	350.1	157.0	2,230
1928	168.7	120.5	1,400	1953	364.9	159.6	2,286
1929	177.7	121.8	1,459	1955	[1]374.0	[1]163.0	[1]2,294
1930	160.9	123.1	1,307	1960	[2]436.0	[2]175.0	[2]2,491
1931	150.7	124.0	1,215	1965	{ [3]525.0	[3]189.9	[3]2,765
1932	128.0	124.8	1,026		{ [3]535.0	[3]189.9	[3]2,817
1933	123.4	125.6	982	1975	[4]634.0	[4]193.0	[4]3,285

[1] Estimate in Department of Commerce study, Markets After the Defense Expansion, adjusted to 1953 price levels. See appendix A.

[2] National Planning Association study (Gerhard Colm), The American Economy in 1960, data adjusted to 1953 price levels. See Appendix A.

[3] Staff, Joint Committee on the Economic Report. The estimate of $525 is consistent with the historical data in the table and with the other projections for 1955, 1960, and 1975. The figure $535 differs by the amount of the adjustment for increased compensation of Government employees by the same percentage as for private employees whose pay is assumed to rise proportionately to productivity. See text, p. 3.

[4] From report of the President's Materials Policy Commission (Paley report), Resources for Freedom, with figure adjusted to 1953 price level. See appendix A.

Source: Population: 1909–53, Bureau of the Census, U. S. Department of Commerce. Gross National Product: 1909–53, calculated by the staff of the Joint Committee on the Economic Report from data of the Office of Business Economics, U. S. Department of Commerce for the period 1929–53, and from the National Bureau of Economic Research for the period 1909–29; the 2 sources were linked at 1929 and then adjusted to the 1953 level. Because of differences in statistical materials, methods, and concepts used by the 2 separate sources, the estimates prior to 1929 are only roughly comparable to the post-1929 data. It seems, however, that the broad trend might not be appreciably altered if the data prior to 1929 were reconstructed in detail according to the concepts and techniques of the Office of Business Economics. Projections, from appendix A.

TABLE B-5.—*Projections of total population in the United States by age groups, July 1, 1955 and 1965*

[In thousands]

Age	1955	1965	Age	1955	1965
All ages	164,782	189,916	35 to 39 years	11,618	11,761
			40 to 44 years	11,236	12,300
Under 5 years	17,917	18,884	45 to 49 years	10,118	11,386
5 to 9 years	17,145	18,732	50 to 54 years	8,830	10,741
10 to 14 years	13,342	18,762	55 to 59 years	7,873	9,331
15 to 19 years	11,190	17,197	60 to 64 years	6,685	7,754
20 to 24 years	10,775	13,463	65 to 69 years	5,315	6,381
25 to 29 years	11,713	11,361	70 to 74 years	4,092	4,807
30 to 34 years	12,367	10,908	75 years and over	4,566	6,148

Source: Illustrative Projections of the Population of the United States, by Age and Sex: 1955 to 1975, Current Population Reports, Series P-25, No. 78, Aug. 21, 1953, Bureau of the Census.