

Mr. CLAGUE. Yes. You see, Congressman, with our readjustment of the 200,000 downward, which we had to make because we got the new 1960 figures—

Representative CURTIS. Yes.

Mr. CLAGUE (continuing). You must make allowance for that over the previous year, you see, since we did not have that information at that time. So that gives you 200,000. Then the increase in the military gives us about 300,000. So you must remember those 300,000 would probably be working if they were not in the Army.

Now instead of 1 million growth that we might have expected on the basis of past trends, we had 500,000.

Representative CURTIS. Let me stop you there.

I raised that point earlier this year myself about the military. They would be working, but I suspect someone might have taken their jobs. That is what did happen?

Mr. CLAGUE. Oh, yes, yes; to some extent.

Representative CURTIS. So I think on that you probably just moved them over from the unemployed sector.

Mr. CLAGUE. Yes; that is correct, but you might not have had new people entering the labor force. If they came from the unemployed, they were in the labor force already.

Representative CURTIS. Yes.

Mr. CLAGUE. In other words, those 300,000 would reduce the unemployment that much.

Representative CURTIS. Yes; I see.

Mr. CLAGUE. So you must allow that we are about half a million above last year by the time you make both these allowances.

We ought to reduce last year by about 200,000, because probably our 1960 census adjustment would have applied to that year as well as to this.

So let me say to you about half a million is our increase this year.

But we had projected something more like 900,000 or 1 million on the basis of past trends.

Now, those are the missing people that you are putting your finger on.

Why are they not here?

Representative CURTIS. Yes.

Mr. CLAGUE. And, incidentally, this is not a recession year. Since last summer we have been in business revival.

Representative CURTIS. That is right.

Mr. CLAGUE. Where are these people?

Well, as I indicated in my paper, we find there are three places where they are.

Mostly, it is women in these prime working ages of between 25 and 55 years of age.

They have not increased as they normally would have. I say "normally would have"—as they used to do.

There is a slowdown in their entry into the labor force. That is the most important factor, with some minor factors on the older men retiring, which is probably due to social security which took effect last July.