

Representative CURTIS. I want to get into those components a little later.

I want to stick still to this.

Mr. CLAGUE. Yes.

Representative CURTIS. The thing that struck me the most, of course, was that this seemed to be a new phenomenon; that we had not had this experience before.

But I can see that if we did not have the breakdown, say, in the 1930's, and if the figures that we have for those years are estimates that there might have been a decline in the labor force.

I am trying to see if this is signaling something new in our economy.

Have you projected into the future on the basis of this what you think is going to happen to the civilian labor force?

Mr. CLAGUE. Mr. Chairman, let me make two remarks there:

First, there is not a very close relationship between fluctuations in economic activity and labor force growth. For example, 1956 and 1957 had the same unemployment rate but we got about 1.5 million increase in the labor force from 1955 to 1956 and in the next year only 400,000.

Second, I would like to say, in general, it looks to us as though this may be something more significant than what has happened before.

We do need to call attention to the fact that perhaps the flood of young people coming into the labor market may enlarge the labor force. But at the moment they are staying in school longer.

Apparently more and more of them are staying in school, so the full effect of those youngsters may be delayed for a year or 2 or 3 years.

But eventually by 1965 we will have a lot of young women, teenagers—and those in their early twenties, who will be ready to take these service jobs.

They may very well have an impact upon the employment of women, say, 40 to 60 years of age.

We may be seeing the beginning here of a moderate change, not a fast but a moderate change, in the composition of the labor force, working against older people generally, including both the older men and older women.

Representative CURTIS. Well, now, our baby crop is——

Mr. CLAGUE. That is right.

Representative CURTIS. Our baby crop is now really getting into this thing, just beginning.

Mr. CLAGUE. Just beginning; that is right.

Now, that would enlarge the labor force at the lower end of the scale.

This labor force is going to grow. The growth is not over.

On the other hand, we may have a few years here in which the youngsters are staying in school, not entering the labor force so early, while the oldsters may be losing their job opportunities because the youngsters that have entered the labor force are picking up their jobs.