applied in model I, but maintaining the levels of GNP and national income. Many of the components of GNP and national income were, of course, modified as a result of the injection of the additional Federal expenditures and the personal tax cuts.

In particular, projections of real nonresidential fixed investment derived in model I, which were exceptionally high in relation to real GNP, were reduced so that their ratio to real GNP would conform with the long-term downward tendency of this ratio since 1929.

The reworking of the new estimates through the accounts yielded projections of personal consumption expenditures which were of an order of magnitude consistent with extrapolations of past relationships; personal saving rates turned out to be close to those assumed in model I and corporate profits were consistent with the new rates of investment. This illustrative projection is presented in tables 19 through 28 in the same detail as the original stage 1 projections which carried the past into the future unaltered. To make the outcomes a little easier to see, we have prepared charts IV through VIII which illustrate the developments from 1929 through 1965, together with projections for 1970 and 1975.