

TABLE 22.—Contributions for social insurance and government transfers to persons

[In billions of dollars]

## CONTRIBUTIONS FOR SOCIAL INSURANCE

|                                          | Actual<br>1965 | Projection A |      | Projection B |      |
|------------------------------------------|----------------|--------------|------|--------------|------|
|                                          |                | 1970         | 1975 | 1970         | 1975 |
| Old age and survivors insurance.....     | 17.4           | 33.2         | 47.3 | 32.6         | 45.0 |
| Employer contributions.....              | 8.2            | 15.7         | 22.5 | 15.5         | 21.5 |
| Private.....                             | 7.2            | 14.3         | 20.6 | 14.1         | 19.6 |
| Government.....                          | 1.1            | 1.4          | 1.9  | 1.4          | 1.9  |
| Employee contributions.....              | 8.2            | 15.7         | 22.5 | 15.5         | 21.5 |
| Self-employed persons contributions..... | 1.0            | 1.8          | 2.3  | 1.6          | 2.0  |
| Unemployment insurance.....              | 3.8            | 5.1          | 6.8  | 5.0          | 6.5  |
| Other.....                               | 8.0            | 11.2         | 15.2 | 10.8         | 14.5 |
| Total.....                               | 29.2           | 49.5         | 69.3 | 48.4         | 66.0 |

GOVERNMENT TRANSFER PAYMENTS TO PERSONS, ADJUSTED TO ILLUSTRATE  
AN EQUILIBRIUM FULL EMPLOYMENT POSITION

|                                      |      |      |      |      |      |
|--------------------------------------|------|------|------|------|------|
| Old age and survivors insurance..... | 18.1 | 31.4 | 42.7 | 31.4 | 42.7 |
| Unemployment insurance.....          | 2.3  | 2.7  | 3.3  | 3.7  | 4.4  |
| Other.....                           | 16.8 | 28.0 | 43.3 | 25.8 | 36.2 |
| Total.....                           | 37.1 | 62.1 | 89.3 | 60.9 | 83.3 |

Source: Department of Commerce, Office of Business Economics, and staff, Joint Economic Committee

TABLE 23.—Projected Federal budget surplus (national income accounts basis) for  
1970 and 1975 and an illustration of a possible allocation

[In billions of dollars]

|                                                                                                                   | Projection A |      | Projection B <sup>1</sup> |      |
|-------------------------------------------------------------------------------------------------------------------|--------------|------|---------------------------|------|
|                                                                                                                   | 1970         | 1975 | 1970                      | 1975 |
| Projected surplus under existing tax legislation and<br>Federal programs and other economic assumptions...        | 17.6         | 54.2 | 15.3                      | 43.8 |
| Illustrative allocation of surplus:                                                                               |              |      |                           |      |
| 1. Amount remaining as surplus in Federal budget...                                                               | 4.8          | 13.1 | 4.6                       | 12.0 |
| 2. Reductions in personal income taxes <sup>2</sup> .....                                                         | 4.3          | 13.7 | 3.6                       | 10.6 |
| 3. Increases in Federal purchases, transfers, and<br>grants-in-aid to State and local governments <sup>3</sup> .. | 8.5          | 27.4 | 7.1                       | 21.2 |

<sup>1</sup> Assuming  $\frac{1}{2}$  of 1 percent of GNP in 1970; 1 percent of GNP in 1975.<sup>2</sup> Assuming  $\frac{1}{4}$  of projected Federal surplus allocated in reduced personal taxes.<sup>3</sup> See table 24 for Federal surplus allocated by functions and expenditure type.

Source: Staff, Joint Economic Committee.