TABLE 1.—PROJECTIONS OF GROSS NATIONAL PRODUCT, WITH MAJOR COMPONENTS, ADJUSTED TO ILLUSTRATE AN EQUILIBRIUM FULL-EMPLOYMENT POSITION [1]

	Actual, 1965	Projection A		Projection B	
		1970	1975	1970	1975
	Billions of current dollars				
Gross national product	681.2	950.0	1,310.0	920.0	1,205.0
Personal consumption expenditures	431.5	601.7	815.8	583.4	753.9
Durable goods	66.1	92.7	125.6	87.5	113.5
Nondurable goods	190.6	247.9	315.7	241.5	292.9
Services	174.8	261.1	374.5	254.4	347.5
Gross private domestic investment	106.6	142.9	201.4	137.5	183.5
Nonresidential fixed investment	69.7	87.4	113.0	85.0	105.5
Residential structures	27.8	46.0	72.7	44.3	66.0
Change in business inventories	9.1	9.5	15.7	8.2	12.0
Net exports of goods and services	7.0	9.2	10.8	9.3	12.1
Exports	39.0	52.1	69.2	51.0	66.2
Imports	32.0	42.9	58.4	41.7	54.1
Government purchases of goods and services	136.2	197.8	282.0	189.8	255.5
Federal	66.8	80.9	99.3	78.5	93.1
State and local	69.4	116.9	182.7	111.3	162.4
	Billions of 1958 dollars				
Gross national product	614.4	770.0	960.0	760.0	925.0
Personal consumption exependitures	396.2	505.0	631.1	498.3	606.0
Durable goods	66.4	92.5	124.6	88.0	114.5
Nondurable goods	178.2	213.5	253.0	211.5	243.0
Services	151.6	199.0	253.5	198.8	248.5
Gross private domestic investment	97.8	117.7	150.7	115.5	143.6
Nonresidential fixed investment	64.9	75.5	91.2	74.5	87.9
Residential structures	24.1	34.5	48.0	34.2	46.5
Change in business inventories	8.8	7.7	11.5	6.8	9.2
Net exports of goods and services	6.3	7.9	8.5	8.0	9.9
Exports	37.3	49.6	64.7	48.5	61.9
Imports	31.0	41.7	56.2	40.5	52.0
Government purchases of goods and services	114.1	139.5	169.7	138.2	165.5
Federal	57.8	60.0	64.3	60.0	64.5
State and local	56.3	79.5	105.4	78.2	101.0
Ratio of nonresidential fixed investment to real GNP in 1958 dollars (percent)	10.6	9.8	9.5	9.8	9.5

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

[1] Projections in tables 19–28 are illustrative only and portray 1 possible method of achieving equilibrium at full employment by the use of Federal fiscal policy.

Shifting to table 2, it is significant to note that both projections call for a marked increase in the aggregate of personal saving.[18] Recogni-

[18] The authors of the Joint Economic Committee study explained the personal savings rates in table 2 as follows. The average personal saving rate for the years 1961–65 was 5.5 percent, the rate used for the B projections. This seemed reasonable in view of the fact that the B set assumes a 4 percent unemployment rate. The lower savings rate used for the A set of projections was chosen because more of the employed labor force would be in the low-income group at a 3 percent rate of unemployment than would be the case were the unemployment rate to average 4 percent. It is a characteristic of low-income families to save less as a proportion of their income than those in higher income classes (see p. 9 of *U.S. Economic Growth to 1975: Potentials and Problems*).