

Nation's '72 Output Rise Projected at \$98-Billion

WASHINGTON, Jan. 24 — The nation's total output of goods and services will rise \$98-billion this year to \$1,145-billion, according to the official Government forecast disclosed today.

The forecast for the gross national product was contained, with no detailed breakdown, in President Nixon's Budget Message to Congress. More detail will be disclosed in his Economic Report later this week.

Unlike last year's, this year's Government forecast for the economy was well within the range of the many private forecasts that have been published in recent weeks, though it was at the upper end of the range.

Last year, the Government forecast, which proved far too optimistic, was well above the

consensus of private forecasts, which were about right.

The basic forecast was included in the budget as a basis for the revenue estimates. Apart from a G.N.P. of \$1,145-billion, the forecast included an estimate of personal income at \$924-billion in this calendar year, up \$67-billion, and corporate profits at \$99-billion, up \$14-billion.

George P. Shultz, director of the Office of Management and Budget, said at a news conference that the economic forecast implied a decline in unemployment to "the vicinity of 5 per cent" of the labor force by the end of the year, compared with 6 per cent at present.

High officials said that the economic stimulus from the Federal budget would begin to

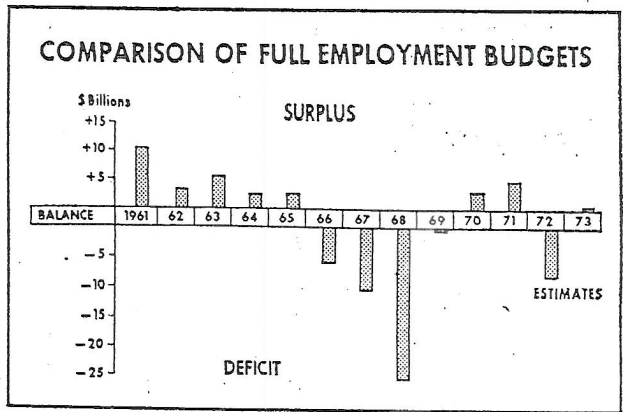
taper off in this calendar year, though they said stimulus would remain substantial through mid-1973.

The tapering would come about because the level of spending reached in the first six months of the calendar year—the last half of the 1972 fiscal year—will not be significantly exceeded in the new fiscal year.

The Government will ap-

parently be spending at an annual rate of about \$240-billion, possibly more, in the current six-month period. The rate would rise only slightly to \$243.3-billion in the new fiscal year starting next July 1.

Officials said it was desirable to begin "reeling in" on the stimulus from the budget well before the economy achieved full employment.



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