Chapter IV. Selected Uses of Economic Growth

A good deal of what the Council says in this long chapter is unobjectionable, but it does not go nearly far enough. The chapter is composed mostly of some generalities about what we can do with our increasing wealth. Instead, the Council should long ago have made a specific and quantified long-range budget of the great priorities of our national needs, and trained all national policies upon their attainment in adequate degree year by year, beginning at once.

Errors in Council's analysis of the poverty problem

The Council is in error in stating that most poor families are headed by persons who cannot or should not be in the labor force, at least on a full-time basis. I have estimated that 60 percent of all U.S. poverty is directly attributable to unemployment, underemployment, part-time unemployment, and those employed full time or part time, but at inadequate wages. The other 40 percent of the U.S. poor are in groups who should not be within the employment stream. My published study for the Conference on Economic Progress, "Progress or Poverty," develops this fully.

Inadequate stress upon social welfare programs

The Council's approach to the dismal inadequacy in welfare and social security programs at all levels is timid and inadequate. It goes no further than to voice approval of current proposals for improvement which are seriously inadequate. I believe the time has come for the Council to espouse—not merely refer to—a universal floor under all incomes, that floor being designed to lift all Americans at least above the poverty-income cellar.

What the Council says about education, health care, and the needs of our cities, fails to rise to appropriate quantification of the magnitudes of the problems, and consequently fails to rise to the required policies.

What the council has to say about the regressive nature of our nationwide tax system is true. Unfortunately, the Council did not take account of these considerations in the tax reductions which it has thus far proposed successfully, nor in those which it is now proposing for enactment in 1967.

Revenue-sharing with the States

The Council offers a rather ambivalent discussion of Walter W. Heller's proposal for Federal revenue-sharing with the States, without standards or strings as to how these federally collected revenues are to be spent by the States. I am against this proposal. We need more, not less, purposefulness in the deployment of expenditures supported by Federal taxation. And I can conceive nothing more inimical to good government than that 50 State governments should spend without standards or strings a substantial part of what one Federal Government collects. I am developing fully my opposition to this revenue-sharing plan in some of my coming publications.

Council's persistent neglect of any satisfactory model for maximum employment, production, and purchasing power

The Council's entire discussion in this chapter falls lamentably short because it ignores what I regard to be the mandate of the Employment