

ing the 9 percent realized during World War II, I think that we should really try to do considerably better than 5 percent. Of course, we must pay in some ways for whatever high goals we set. But we also pay in many ways, and we are paying heavily now, when our goals are too low and our performance suffers accordingly. An average annual growth rate of 6 percent in real terms would in my view be none too high, under the current and foreseeable burdens confronting us.

In any event, even if satisfied with the 5-percent average annual growth rate which my chart 17 utilizes after maximum resource use is attained, the chart is based upon a 6.3 percent growth rate until maximum resource use is attained in early 1969, with 5 percent thereafter. The Council's espousal of the 4 percent average annual growth rate, as I have shown in detail above, cannot be defended on any grounds. Fortunately, an increasing number of outstanding economists are now scoring the Council's position, and indeed censuring it for underestimating the needed growth rate all along.

My chart 18 sets forth entirely consistent, and therefore entirely feasible, goals for the liquidation of poverty in the United States.

And finally, my charts 19 and 20 set forth the composition of a proposed Federal budget, as an integral part of my "American Economic Performance Budget." It is significant that these goals for the Federal budget would result in a Federal budget smaller in ratio to total national production in calendar 1975 than in fiscal 1968 (estimated). This should dispose of any notion that we cannot meet the great priority of our domestic needs without sacrifice of our international obligations, or without distorting the relative responsibilities of private enterprise, the States and localities, and the Federal Government.

If the objectives which I have set forth are vigorously pursued and substantially achieved—which is well within our potentials without excessive strain—we can create an America by 1975 in which poverty will have been virtually liquidated, without impairing income progress for others; in which almost all of the one-fifth of our people who still live in slums will have been rehoused, and our cities substantially renewed; in which our obsolete transportation systems will have been restored; in which adequate educational and health facilities, at costs within their means, will be made available to all; in which the specially acute tragedy of private poverty and public neglect in our rural areas will have been substantially eradicated; and in which our natural resources will have been properly conserved and replenished, with accent upon extraction of the poisons from our airs and waters. My charts 19 and 20 show clearly how attainment of these goals would not impair—if needed—very liberal allowances for expansion of Federal outlays for defense, space, and international aid to underdeveloped countries.

CHAPTER V. GROWTH AND BALANCE IN THE WORLD ECONOMY

The plea by the Council for more attention to the grievous problems of the underdeveloped countries would be more persuasive, if accompanied by assertion of the need for the United States to devote more than an infinitesimal portion of its GNP to the economic assistance of manifold kinds which these underdeveloped countries imperatively and immediately need. This would do even more good than lecturing these underdeveloped countries about changes they should make in