The council's report goes on to express a preference for a solution to the problem of poverty that would permit Americans "to *earn* the American Standard of Living." However, the report further states:

> We can surely afford greater generosity in relief of distress, but the major thrust of our campaign must be against causes rather than symptoms. We can afford the cost of that campaign too.[7]

The gross national product of the United States is now about $600 billion per annum. If the Federally Guaranteed Minimum Income for a family of four were set at the $5,000 per annum modest-but-adequate level the *gross cost* would be less than 7 percent of the gross national product—still quite tolerable. At whatever level the FSB is set the *net cost* of benefit payments would of course depend on the extent to which these were offset through reductions in expenditures of existing welfare programs.

All public welfare payments under present federal, state, and local programs including public assistance, veterans' benefits, unemployment compensation, and old age and survivors insurance benefits, but excluding health and education, now total about $33 billion. Public assistance payments alone are close to $5 billion and almost the entire amount could be taken immediately as an offset against payments of Family Security Benefits. Savings from other welfare programs would be dependent on the extent and rate at which they could be "phased out." Appreciable savings would also be effected through the substitution of modern accounting and auditing techniques and the use of automatic data processing for the present costly, slow, and labor-consuming procedures for determining initial and continuing eligibility of each family through office interviews, home visits, investigation of each family's income and resources, and computation of individual budgets and budget deficits on a case-by-case basis.

A fresh and useful perspective on how much this country can afford to spend for welfare measures may be gained by a look abroad. Data gathered by Gordon show public welfare expenditures in various nations as a percent of national income in 1950, 1953, and 1957.[8] In each year the United States ranked lower than any of the sixteen western and eastern European countries reported, and lower than Canada, Chile, Australia, New Zealand, and Israel. The only nations reported that are outranked by the United States in this "measure of welfare effort" are Guatemala, four Asian, and three African and Middle Eastern countries.

In a recent analysis of the share of industrial production allocated to the beneficiaries of governmental welfare programs, Colm selected for comparison Sweden as the western European country most advanced toward the "welfare state" and Germany as that which is often considered the nearest approximation to a "free enterprise" country. He found that the relative size of social welfare expenditures was about the same in both countries and considerably higher than in the United States. He declares that there is a great deal of unfinished business in the development of our social welfare programs and concludes:

> With the technical knowledge of our age we will have the material means available for eliminating poverty as a mass phenomena [*sic*]. We can only hope that we will also develop the attitudes necessary to use these resources for the benefit of those who will not automatically benefit from economic growth and rising incomes *and from the conventional security and welfare programs*. [Author's italics.][9]

Now that our war on poverty blows hot we should be able to find the wherewithal to wage it.

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7 *Ibid.*

8 Margaret S. Gordon, *The Economics of Welfare Policies* (New York: Columbia University Press, 1963), pp. 15–16.

9 Gerhard Colm, "The Economic Base and Limits of Social Welfare," *Monthly Labor Review*, Vol. 86, No. 6 (June 1963), pp. 695–700.