

Chart 1

The budget in fiscal year 1970 should register a surplus if economic policy in the country is to be responsible and realistic. The estimate of \$195.3 billion in total budget outlays represents our minimum requirements to meet the urgent domestic and international needs. An extension of the surcharge will make it possible to meet these requirements and to provide for a surplus which will be helpful in relieving inflationary pressures.

It is clear from the chart that if hopes for an early settlement of the Vietnam war are realized, military expenditures can be reduced and substantial savings made for other desirable purposes.