Chart 6

Federal debt held by the public has grown at a much slower rate than the economy. Federal debt held by the public as a percent of gross national product has continued to decline in recent years. From the peak of almost 1¼ times the GNP in fiscal 1946, the Federal debt held by the public dropped to 48 percent in 1960 and 40 percent in 1965. The 1970 budget would bring down this percentage even further -- to 29 percent. By this measure, the size of the Federal debt would represent a steadily lessening burden on the economy.