

and the administration did translate those concepts into a quite specific figure and the Council's report in the President's Economic Message did take a different approach.

Senator SYMINGTON. Now, let me ask you this question. If you increase labor rates you increase the gross national product; is that right?

Secretary WIRTZ. That would be right. I think that is out of my Department.

Senator SYMINGTON. I think it would be difficult to get you out of any department because of your experience. Now, some people justify the cost of the Vietnamese war on its percentage of the gross national product?

Secretary WIRTZ. Yes.

We got two gross national product measurements. We sometimes talk about it in price terms and sometimes in real terms. If we talk about it in price terms it would include all the factors to which you refer.

Senator SYMINGTON. The reason I ask is that, to me, the increasing cost of the Vietnamese war is a matter of grave concern. It is hard to get these costs together. The staff of the Senate Appropriations Military Committee estimates some \$2.5 billion a month. But it is defended constantly on the grounds that it is the same percentage, or a less percentage, of the gross national product. If that is going to be the gage, I have a suggestion to make, being distressed to note the increasing fall in the private sector, of our excess of exports over imports. When you do have increases in the GNP that do not necessarily reflect increased productivity, you are liable to find yourself in a competitive jam as far as competing against other countries, are you not?

Secretary WIRTZ. Senator, you would understand by my previous answer, I wouldn't for a moment justify one single penny of expenditure for war or for anything else on the basis of gross national product permitting it by its gross. I think it is a matter of putting any figure of this kind in its context, but I don't think of that as a defense.

Senator SYMINGTON. I am delighted to hear you say that. When this question came up in another committee about 2 weeks ago, I said: "How long do you think this economy can stand the multi-billion-dollar cost of this war, which is steadily increasing?" The answer was, "Forever." It seems to me forever is a long time. This statement worried me a great deal. The next thing, you know, you will find people going back to the old Communist cliché, that capitalists promote war in order to have a more successful economy.

Secretary WIRTZ. I do think the analysis carries over to any expenditure which every simple purpose would like to see cut down as soon as it can be.

Senator SYMINGTON. I am glad to hear that.

This balance-of-payments problem. I have great respect for Dr. Heller, have just read his thoughtful new book in which the word "gold" in its relationship to currency reserves, does not appear. It seems to me, gold is currently one of the basic aspects of any fiscal or monetary consideration in government. I am not saying it is vital, do not know enough about it.