the GNP this year, which is the rate of growth settled for by the present Council of about 4 percent.

I say you are satisfied by it, because even if the situation gets a little worse than it is now, you still would favor the tax increase. A little worse, that is if unemployment goes up a little bit, operating rates continue to deteriorate a little bit, you still would favor the tax increase.

The reason I come to this is because in the Department of Labor's "Projections 1970," the Department contends that unless we have a growth rate of about 4.3 percent on the average between 1965 and 1970, that we aren't going to be able to maintain unemployment at this level.

Furthermore, our experience in the past has been that when we stabilze unemployment at a fairly low level, we can even press it down further without price increases. We had that in 1953, for example. We took off price controls; unemployment was down around 3 percent or a little less than 3 percent—prices didn't go up.

Now under these circumstances, I wonder if this is a fair statement of your position, that you still, on the asumption that monetary policy remains as it has been, that you still would favor this more restrictive fiscal policy.

Mr. HELLER. Mr. Chairman, I am, let me say, never satisfied unless the economy is moving as fast as its growth in labor force, productivity, and plant and equipment expansion permits.

Furthermore, let me say that when we set the interim target of 4-percent unemployment in 1961, we intended that to be interim, and I don't think we should settle for that.

Chairman PROXMIRE. That is why I am concerned about your assertion here.

Mr. HELLER. That is why I want to make my longer term objectives perfectly clear. I, too, want to get below 4-percent unemployment. And I, too, want 4.3-percent growth if that's what it takes to absorb all of the resources that become available to the economy. But it seems to me we have a practical situation this year, in which in exchange for a tax increase we can purchase, so to speak, a better monetary policy, and a better distribution of the burden of war—by advancing some of the essential programs in this country. At the same time, we would not retard the advance in the economy, if we achieve the elements of strength that I see in the second half of this year and the first half of next year.

Now if we are wrong on the latter, and you can get the former—monetary easing and adequate support of essential programs—without the tax increase, then as my statement clearly implies, I would forgo the tax increase.

Chairman PROXMIRE. I very much appreciate the latter part of that. Let me make sure again that I understand. You say you would forgo the tax increase, if you can do so and still get the kind of monetary policy.

Mr. HELLER. That is correct.

Chairman PROXMIRE. And budget policy which you think would be constructive.

Mr. HELLER. That is right.

Chairman PROXMIRE. All right, that is clear.