

Mr. BURNS. To the extent that that happens, we will have additional opportunities in the future to cut tax rates.

Representative CURTIS. Now, I notice that the Secretary of the Treasury has been saying that if it weren't for Vietnam, we would have a \$10 billion surplus in our budget. I think he meant the administrative budget.

I have suggested that this is not a complete economic model, because part of our increased revenues, of course, are derived from the Vietnam expenditures. Would you comment on that? And also, what would be the difficulties involved in trying to separate the Vietnam war expenditures from our present economic situation to see where we might be?

Mr. BURNS. I would find fault with the reasoning of the Secretary of the Treasury on this point, just as you have. Certainly, the massive expenditures on Vietnam gave a boost to our economy, more so on the monetary side than on the physical side, but to a degree on the physical side as well.

I look forward to the day when we will be spending our Federal funds on more useful things than gunpowder. There are many opportunities for doing it. And our economy will gain in strength, once the conflict in Vietnam is over.

Representative CURTIS. We have a subcommittee concerned with Government procurement. I hope it enlarges its scope. But one of the things I am hopeful we will get into is trying to consider the difference between an economy based on these heavy war expenditures, and the problems that would then arise in shifting from those expenditures to peace. This is an oversimplification, but let me repeat in part the question I asked before.

Do you think this would be a difficult study to undertake, to try to get guidelines on shifting the economy more in this fashion in a rational way, than the way we shifted it after World War II or after the Korean war?

Mr. BURNS. Actually, we did extremely well after World War II, and we also did reasonably well after the end of the Korean war.

I should like to think that we will do better in the future, and the study that you will be undertaking may help us to achieve that result. Such a study is eminently worthwhile, and I do not believe that it is surrounded by very great difficulties.

Representative CURTIS. My time is up, but just one question. Was there much rational planning that you know of in shifting to peace after World War II and after the Korean war?

Mr. BURNS. No, there was not, and that is why I am heartily in favor of some systematic planning. My only point was that even in the absence of systematic planning, we did remarkably well, but I would like to see us do better.

Chairman PROXMIRE. Senator Symington?

Senator SYMINGTON. Thank you, Mr. Chairman.

Senator JAVITS. Senator, would you mind yielding to me just for about 30 seconds, because I have a TV show? I am not going to ask questions.

Senator SYMINGTON. I will always yield to a TV star.

Senator JAVITS. I thank the Senator, and I can say the same about him.