I just wanted to express my pleasure at the presence here of Dr. Burns, my fellow townsman, my economic mentor, and, in my judgment, one of the most educated and distinguished public servants that ever served our Nation.

May I ask, Mr. Chairman, unanimous consent to give Dr. Burns a couple of written questions?

Chairman PROXMIRE. Without objection.

Senator JAVITS. I thank my colleague.

Mr. BURNS. Thank you so much, Senator Javits.

Senator SYMINGTON. Mr. Chairman, if my friend, the Senator from New York, would like to ask his question now, I would be glad to yield.

Senator JAVITS. In that case, may I ask one question? I think all of us, Dr. Burns, were very struck with the difference in thrust between your testimony and that of this morning's witness, Dr. Heller, and I have his testimony before me. Rather than read it to you I ask unanimous consent that that be reprinted here——

Chairman PROXMIRE. Without objection it is so ordered.

(The excerpted material from Dr. Heller's statement referred to follows:)

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So the choice, almost inexorably, boils down to restraint in private spending versus restraint in public spending on programs that benefit the poor and disadvantaged, that attack the urgent, but unfortunately accustomed, problems of ugliness and urban blight. Before the Congress concludes that the war in Vietnam requires cuts in the War on Poverty, on slums, on crime, on air, water, and land pollution, it should consider these facts on public spending and private affluence:

Defense spending in fiscal 1968 will take 9 percent of a GNP of some eight hundred billion dollars, virtually the same ratio as in 1960, when GNP was about 500 billion dollars. This is below the near 10 per cent figure of the mid-1950's and far below the 13.4 per cent of 1953.

Total Federal purchases are only 11.0 percent of GNP this fiscal year and are expected to be 11.3 percent next year. Total Federal expenditures for the NIA budget, including trust fund activities, grants, transfer and interest payments, are 20.1 percent of GNP this fiscal year and 20.8 percent in FY 1968. Despite the enormous advances in the largely self-financed trust fund programs, this is only modestly above the 19.0 percent of the 1958–60 period.

Real disposable income per capita, the single best measure of our growing affluence as private consumers, has risen by 24% over the past six years.

Financial asset holdings of American families have grown by $470 billion in the last six years, while their debts have grown by only $150 billion. Their net financial position is $320 billion stronger than six years ago.

A quick perusal of the budget for fiscal 1968 shows requests of about $1¼ billion of additional spending for the Economic Opportunity programs, education, pollution control, urban problems, the Model Cities program, and water and sewer facilities. It may be that these requested increases are held to such modest levels by considerations of administrative efficiency—by the speed limits that prudence puts on expansion of new programs. I cannot imagine that our national priorities are such as to lead us to cut or abandon these modest increases in order to facilitate more rapid increases in general private spending. Indeed, I should think that the reverse would be true.

What I am saying, in sum, is that the President's tax increase proposal fits well into the Nation's need not only for flexibility in the face of economic uncertainty and for restoration or economic balance in the economy through a decisive easing of money, but also for a fairer distribution of the economic burdens of war.

Senator JAVITS. In essence, he says, "Look, you have a $800-billion economy. We don't have to hold back really on basic spending, war on poverty, slums, crime, air, water, and land pollution. You probably do have to do a little holding back on public works."