

He says a quick perusal of the budget shows only one and three-quarters of additional spending for all these programs I have just mentioned over the last fiscal year; you can well afford to do it. Do it. And the tax increase fits in with that very well.

Now you come along and you say don't do it. Cut the budget and don't go for the tax increase, at least right away. Now, can you give us any observation on these conflicting views?

Thank you, Senator Symington. That is the only question I have.

Mr. BURNS. I can only speak for myself. Let me say, first of all, that the rapid increase in Federal spending that is now underway has already led to tax increases, and it is bound, no matter what the Congress does about taxes this year, to do so in the future.

Point two, the tax burden on the American people is very heavy now.

Point three, we must be very careful indeed not to make it any higher, because if we do, there is a real danger that the strong economy that we now have, and which is not only an asset to us, but to the entire world, may be weakened.

Therefore, I would say that at a time when military expenditures are going up so rapidly, we should seek ways of cutting back here and there. This is a very difficult task for the Congress, but I think the Congress will serve the long future of this country well, if it dedicates itself to that task.

Senator JAVITS. Thank you very much, Senator Symington.

Thank you, Mr. Chairman.

Chairman PROXMIRE. Your time will run from right now, Senator.

Senator SYMINGTON. Thank you, Mr. Chairman.

Dr. Burns, I am impressed with your testimony.

One of your figures I hadn't realized were those on the Vietnam war. Everybody hedges "provided the Vietnamese war." Nevertheless, it is only \$22 billion out of a \$51-billion increase between 1965 and 1968. I think your figure of \$22 billion is low, but the fact more of the increase is being spent outside of Vietnam than in the Vietnamese operation is impressive.

You speak of our gross national product, about \$58 billion larger than in 1965, but that the Government absorbed 30 percent, through additional taxation.

Mr. BURNS. The Federal Government.

Senator SYMINGTON. The Federal Government?

Mr. BURNS. Yes.

Senator SYMINGTON. I have been to many hearings in the last 2 years, where effort was made to justify increases in expenditures on the ground it was still a no greater percentage of the gross national product.

I asked one high in the Government, How long do you think we can continue this in effect, guns-and-butter approach? More specifically, How long do you think the economy of the United States can stand the figure the Senate Appropriations staff, in conjunction with the armed services staff, has estimated, which is \$2.5 billion a month, \$30 billion a year? The answer was, "First, we think it is nearer \$20 billion a year than \$30 billion; but in any case, we think we could afford it forever."

Now, forever is a long time. Do you think we can continue these expenditures on this basis forever?