Mr. BURNS. I think we can continue——

Senator SYMINGTON. What is your analysis of the problem?

Mr. BURNS. Yes. I think we can continue expenditures on this scale in the indefinite future. I hesitate to say forever. That is a little bit too long a period for me to think about. But I am afraid that if we actually do so, the growth of our economy will suffer, and with it, the welfare of our people. Our international economic prestige, which is very high, in contrast to our political prestige at present, will also suffer. Therefore, I would say that while we can afford it financially, while we can afford it in terms of our physical resources, we cannot afford it if we want to remain the great economic power that we are, both for our own sake and for the sake of the rest of mankind.

Senator SYMINGTON. It would be difficult for me to segregate, as definitely as you do, the economic position from the political position, but you are an expert in this field and I am not.

I presented a statement, made by Dr. Stevens, this morning, in which he said that your gross national product, your economic capacity, was only one of many things to be considered when in turn one considered financial strength, your fiscal and monetary position.

What has worried me over the years is that the Treasury Department and other Government officials have consistently said our loss of gold was a serious matter, but that they were going to correct it the very next year. Years have gone by. In 17 years out of the last 18 we have had an unfavorable balance, which you know better than I.

It seems to me that pretty soon we have to decide whether it is important to retain gold or whether it is not. Would you comment?

Mr. BURNS. Gold is a great symbol. People have faith in gold. They don't always understand it, but they do have great faith in it.

If financial arrangements for this country and for the world at large were being made afresh, we might want to construct a monetary system that did not depend upon gold. But we have it.

And if we are ever forced—as we may be if the disequilibrium in the balance of payments persists—off the gold standard, the political consequences for this country would be very serious, and I fear that even more than the economic consequences.

Senator SYMINGTON. If you follow through to its logical conclusion this justification of expenditures on the basis of percentage of gross national product, then it is never important to balance your payments, is it?

Mr. BURNS. If you restrict yourself to the relation between governmental spending and the magnitude of our gross national product, you leave out of account entirely the balance of payments, and if you do that, you are leaving out of account a factor of the utmost importance to the future of this country.

Senator SYMINGTON. You talk about the political prestige we have as against a greater economic prestige that we have. I find our economic prestige is beginning to suffer also because of our failure to handle this balance of payments in accordance with the way we say each year we should handle it.

With that premise, and with respect to those interested in social security and pensions, as are most union-working people today, also those interested in retirement plans and those interested in life insurance; in those four categories you have most of the people of the United