States. There is a chance, is there not, that unless we face up to what this balance of payments could do to the integrity of the dollar, we might find ourselves in a difficult situation with respect to that integrity and if that happened, it could be very serious, indeed, for the people who could least afford to suffer the devaluation.

Would you comment on that?

Mr. BURNS. The case of England is very pertinent. The British people elected a Labor government. The Labor government was opposed to a stop-and-go policy, as they called it. And yet the Labor government has put through restrictive measures more drastic than any conservative that I know of had recommended in England. Why? Because the Labor government now in power is afraid of the international position of the pound sterling.

Now, unless we are very careful, we may be in a similar difficulty before very long. Time is running out.

Senator SYMINGTON. Thank you, Mr. Chairman.

Chairman PROXMIRE. Dr. Burns, in view of the economic uncertainty, and the fact that you think we ought to stop, look and listen, before we impose a tax increase, if economic conditions remain about the same, don't improve a great deal between now and May or June, why not wait until September or October before Congress acts?

We will still be in session in all likelihood, on the basis of previous experience. Wouldn't it be wiser to wait until then, and perhaps have an October 1 date for a tax increase, if we have one at all?

Mr. BURNS. I would say so, yes.

Chairman PROXMIRE. Dr. Burns, you have a fine reputation as an expert on economic growth. We have had an estimate from the Labor Department—Projection 70, they call it—indicating that in their judgment, if we are going to even maintain the present rate of unemployment, maintain it at 4 percent, you would have to have a 4.3-percent rate of growth between 1965 and 1970.

I understood you to reply to an earlier question that you anticipate that if the present 1-year projection of the Council of Economic Advisers for a 4-percent growth, not 4.3 but 4 percent growth, that if that is maintained, that we won't have increased unemployment. How do you reconcile that—seems to be a conflict here?

Mr. BURNS. If I understood you correctly, I don't see the conflict.

Chairman PROXMIRE. The conflict is that the Labor Department says you have to have a 4.3-percent rate of growth, and you and the Council of Economic Advisers say only a 4-percent growth is adequate to maintain present unemployment.

Mr. BURNS. Well, I think the difference between these two figures is well within the margin of error in any estimating of this character. I would not regard that difference as significant.

Chairman PROXMIRE. Do you think we should settle for a 4-percent annual physical growth rate?

Mr. BURNS. I would be happy if we had a 4-percent rate of growth in physical terms over the next decade. As for settling for it, that is another question. I would like to see this country grow rapidly, more rapidly, if we can.

Chairman PROXMIRE. Well, what I am getting at may be a technical difference, but I think 0.5 percent could be considered a substantial difference, the difference between 4- and 4½-percent growth rate.