

I say control of the financial picture, not the productive picture at all. So it worries me that you think we could continue with it indefinitely, and still preserve a viable economy. Would you comment?

Mr. BURNS. I am afraid I must stick with the answer that I gave previously, Senator, and my reasoning is very simple.

Suppose that our gross national product does not increase any more rapidly than our Nation's population. Then our output per capita will remain constant. We still could, as a people, divert even an increasing fraction of our resources to a military use. We could do it.

Senator SYMINGTON. How many Vietnams do you think we could handle at the same time?

Mr. BURNS. I think one is too many.

Senator SYMINGTON. You are talking politically and militarily. I am talking economically. Now, what is the limit of military expenditures in percentage of gross national product, if you think the current situation is satisfactory?

Mr. BURNS. I don't think it is satisfactory.

Senator SYMINGTON. Well, if you think it is viable, how far above can we go?

Mr. BURNS. I could not give you a figure.

Senator SYMINGTON. It is about 10 percent.

Mr. BURNS. The only honest answer I can give you is that I think we can go above the present figure. I very much hope that we do not, first, because we should be capable enough as a people to put our resources to better use, and second, because if we devote a large portion of our resources to gunpowder, we will not be investing sufficiently to assure rapid growth of our country, but I can't give you a figure.

Senator SYMINGTON. Then you do think—I don't want to labor it, all I want is to understand it, and I have great respect for your thinking—you do think we can continue to afford this amount of spending in operations like Vietnam, the German operation, the Korean operation, the Chinese operation—we have some 84,000 people in Japan, although most people think we are out. You think we can continue all this, provided at the same time it does not increase, say, beyond 10 percent of the gross national product?

Mr. BURNS. I think we can afford many things as a people. We are a rich and a powerful Nation. But I hope that we will be wise enough to use our resources in a manner that helps to build our Nation's economic strength. I hope we will do that for our own sake and also because of the example we set for the rest of the world.

One of the things that impresses me more than anything else at the present time is that the prestige of our private enterprise system is very great the world over. Communism is a failure. This is now known by the economists and the informed people in the Communist nations.

They are seeking inspiration from us. They no longer look to Karl Marx. They look to us for intellectual guidance. Why? Because we have proved that our economic policies work.

Therefore let us be very careful and not increase too rapidly the scale of our governmental expenditures, and particularly the scale of governmental expenditures in directions that do not build our Nation's strength for the future.