

EXCERPT FROM JANUARY 1967 ECONOMIC REPORT OF THE
PRESIDENT

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AFTER VIETNAM

Despite all our efforts for an honorable peace in Vietnam, the war continues. I cannot predict when it will end. Thus our plans must assume its long duration.

But peace will return—and it *could* return sooner than we dare expect.

When hostilities do end, we will be faced with a great opportunity, and a challenge how best to use that opportunity. The resources now being claimed by the war can be diverted to peaceful uses both at home and abroad, and can hasten the attainment of the great goals upon which we have set our sights.

If we keep our eyes firmly fixed on those goals—and if we plan wisely—we need have no fear that the bridge from war to peace will exact a wasteful toll of idle resources, human or material.

But when that welcome day of peace arrives, we will need quick adjustments in our economic policies. We must be prepared for those adjustments, ready to act rapidly—both to avoid interruption to our prosperity and to take full and immediate advantage of our opportunities.

Planning for peace has been an important activity in many executive agencies. But the effort needs to be stepped up and integrated.

Accordingly, I am instructing the heads of the relevant agencies in the executive branch, under the leadership of the Chairman of the Council of Economic Advisers, to begin at once a major and coordinated effort to review our readiness. I have asked them—

- to consider possibilities and priorities for tax reduction;
- to prepare, with the Federal Reserve Board, plans for quick adjustments of monetary and financial policies;
- to determine which high priority programs can be quickly expanded;
- to determine priorities for the longer range expansion of programs to meet the needs of the American people, both through new and existing programs;
- to study and evaluate the future direction of Federal financial support to our States and local governments;
- to examine ways in which the transition to peace can be smoothed for the workers, companies, and communities now engaged in supplying our defense needs, and the men released from our armed forces.

I have directed that initial reports be prepared on all of these and related problems, and that thereafter they be kept continuously up to date.

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