

resources and yet prevent the further despoilment of our environment. Thus, research becomes an even more important part of the economic fabric of the Nation. We will have more to say on this subject subsequently.

The pressing problems of manpower development occupied much of the Nation's attention in 1966. This preoccupation was divided into two parts.

On the one hand, we were confronted with the familiar specter of unemployment and human need. Programs aimed at correcting the blight of unemployment have been undertaken, although a great deal more remains to be done. It seems a paradox to see pockets of unemployment—in our city slums—in the mountain of Appalachia—in the arid regions of Indian reservations of the West—when our Nation as a whole is enjoying the greatest period of prosperity in its history. It is a national disgrace to see young men and women of minority groups falling further behind the rest of America because they lack the skill, the initiative, and the opportunity to cope with the complexities of modern industry. Surely, it is to us—all of us—that these people look and it is evident that we must not fail them.

At the same time, the demand for men with a high level of skill went unsatisfied in many industries. In coal, for example, a real manpower shortage is developing and steps are already being taken to alleviate the shortage. We feel that an intensification of existing governmental efforts in the manpower area is warranted. For, whether we are attacking structural unemployment in the slums or training a highly skilled coal miner, we are improving upon our most important resource—our people. We must never lose sight of this. Nor should we rest content until every person with the desire to work can find a job which utilizes the full extent of his talents and desire.

The question of Vietnam has been much on our minds in the past months and years. Apart from the losses in lives and the large number of injuries caused by the conflict, the economic effect has been great. In our opinion, much of the dislocation in the economy can be traced to the burden of Vietnam. Further, as the war goes on and becomes more intense, these burdens are certain to grow.

In his state of the Union address, the President asked for an additional tax to take effect around midyear. In our opinion, the only justification for such a tax increase is the financial burden imposed by the war. Surely, if the war were not being waged, the current status of the economy would indicate liberalization rather than a tightening of the Nation's fiscal policy.

As we have pointed out previously, there are several soft areas in the economy. It is difficult for us to fully assess the impact of a tax increase at this time. But we do believe that caution should be exercised before such a tax is imposed, so that the private sector will not be forced into a period of contraction as will it might be. Naturally, if the tax increase is necessary to help finance the war effort, we will, as good Americans, support it. On the other hand, if, in fact, the imposition of the tax will result in a downturn in the private sector, it will be self-defeating and only lead to larger budget deficits than originally anticipated.

But the Vietnamese conflict is troublesome from another standpoint. Some day, hopefully soon, the war will be over. Then the Nation will