A much-improved balance in the private economy is essential if America is to be able to reach and sustain full employment. The lopsided distribution of the gains of the economic advance makes it difficult to achieve full employment and, within the context of social and political realities, impossible to sustain it.

Failure to recognize the consequences of this lopsided distribution is one of the major failings of the "new economics," which naively believes that the Federal Government can quickly and simply offset any and all weaknesses in the private economy by pushbutton controls. Not only is America a vast and complex continental economy, with scores of different industries and markets, but, in addition, the Council of Economic Advisers is neither the Congress nor the Federal Reserve System nor the entire executive branch.

The forward advance of the American economy requires a sound foundation in a much-improved balance in the private economy.

Adjustments to Radical Social Changes

Radical changes in technology and race relations, accompanied by rapid urban growth, continue to strain the fabric of American society. America's urban crisis is rooted in these rapid and radical social changes, as well as in the long, tragic history of Negro slavery, segregation, and discrimination.

These problems festered during most of the 1960's—with a rising trend of unemployment, government subsidies for technolgical change and no adjustment programs, a sharp decline of low-rent public housing construction and general neglect of urban, public services.

Much of the long-delayed legislation of the 1960's to achieve piecemeal adjustments to the radical changes in American life were first steps, without previous experience, precedents, and trained personnel. Moreover, Federal appropriations for these purposes were kept down by public apathy. Yet these measures were greatly oversold and their adoption aroused expectations of overnight solutions that were impossible to achieve.

The growth of the American population has increased sharply—from several hundred thousand a year in the 1930's to an average yearly rise of 2.7 million since World War II. Moreover, the number of people in rural areas has been declining while metropolitan area growth has been booming. Each year, the population of America's metropolitan areas grows by over 3 milion, the size of a very large city.

The pace of technological change, too, has speeded up considerably in the years since World War II. One measure of that speed is the time elapsing between a new discovery and the point at which it is introduced commercially. A study prepared for the National Automation Commission found that the time required to cover that distance has been cut by almost two-thirds—from an average of 37 years for innovations developed around the turn of the century to 14 years for innovations developed in the post World War II period.

Another measure of the speed of technological change is the rate of productivity growth. Between 1909 and 1947, output per man-