

What is more, a continuing high rate of investment in new plant and equipment is one of the 1969 prospects on which most economists seem agreed. In these circumstances, it is difficult to understand the claim that the economy is overheated and needs to be slowed down.

It may be argued, particularly with regard to availability of manpower, that even though there is some slack in the economy as a whole, there are sectors in which needed manpower, possessed of necessary skills, is not available. But surely this calls not for a slowing down of the whole economy to ease the pressure at a few points, but for special measures to ease those pressures where they exist. There is still ample room for strengthening of our training programs, including the payment of more adequate training allowances. There is still much room for improvement of placement services, including a computerized national employment service which could greatly facilitate the matching of available men to available jobs. There is still room for measures to increase the mobility of workers, employed and unemployed, such as payment of moving allowances. As the staff of President Johnson's Cabinet Committee on Price Stability has pointed out, manpower programs to increase the employability of those who are in any way competitively disadvantaged not only helps to improve the employment picture, but also helps reduce inflationary pressures by increasing the number of workers available. To attempt to solve special problems of manpower shortage with tools of overall economic restraint is like trying to kill a mosquito with a sledge hammer—it gives an awful jolt to the body being hammered, and probably misses the mosquito in the bargain.

HOW EXPANSION HELPED NEGROES

Another area in which we have made real progress, but still not nearly enough, is in providing equality of opportunity for Negroes. According to census data cited by the Council of Economic Advisers, during the 7 years of expansion from 1960 to 1967 (latest data available), the median income of nonwhite families increased by 41.1 percent, or at an average rate of 5 percent per year. This was substantially faster than the 3.3-percent rate at which the median income of all families increased. (The median is the point at which half the families are above the line and half are below it.)

By contrast, during the 8 years from 1952 through 1960, which saw three recessions, the median income of nonwhite families grew at a rate of only 2.7 percent per year. This was not only just over half the rate at which it grew during the period of expansion; equally important, the 2.7-percent growth rate for median nonwhite family income between 1952 and 1960 was substantially below the rate for all families, which averaged 3.3 percent per year.

In other words, not only did the lower income half of Negro families improve their absolute position much faster in the period of continuing expansion than in the previous period, but in the period of expansion they improved faster than other groups in the Nation, thus making up ground lost in the previous period when they had improved more slowly than those other groups.

This has important considerations in terms of the social consequences of any attempt to slow down economic growth. A figure of 1 percentage