CONTENTS

PART I	Page.
Chapter I. The nature and significance of potential economic growth The Employment Act goals A dynamic economy Economic growth Current economic performance	1 2 4 4 5
Potential output versus capacity The rate of employment The measurement of potential growth Chapter II The determinants of potential economic growth	4 5 6 8 9 11
Supply, demand, growth, and output Capacity and growth The production function Production in the individual plant versus the total economy The design of an aggregate production function	12 13 13 16
Chapter III. The statistical analysis of output The variables and their measurement Three transformations Fitting the production function to the historical data	19 19 22 28
The final equation	31 33 35 38 38 40
The alternative projections Implications of the projections PART II	43
Technical materialsCHARTS	40
Chart I. Capacity, output, and potential—an explanatory sketch	6 21 22 24
1909-58	32 36
TABLES	
Table 1. The variables used in the anslysis, and their components, 1909–58. Table 2. Actual, predicted, and potential gross national product in 1954 dollars for the United States, 1909–60 Table 3. Selected indicators of economic growth potentials	26 37 40

VII