prising if efforts in the educational field should succeed in raising the efficiency of labor and management in the private and public areas of economic activity faster than occurred over the past half century during which efforts in these directions were interrupted for extended periods of time by both wars and depression. Finally, it would not be surprising either if a more pervasive knowledge among managements of the best production practices would raise productivity faster than in the past. Even today, in the United States there are very significant differences, far wider than seems unavoidable, between the best practices and those of the least efficient firms in any given line of production.

Studies of the Bureau of Labor Statistics in connection with its direct collection program in the early years following World War II developed a considerable body of information about individual plants within certain industries. For example, when the plants in certain industries were classified into four groups ranging from the lowest to the highest in man-hour requirements in unit of output, wide variations showed up. In gray iron foundries, the highest group, the least efficient, that is, required almost four times as many man-hours per unit of output as the lowest or most efficient group. Furthermore, the lowest group obviously contained some plants which did better than the average and some plants in the highest group exceeded the group average. The spread, therefore, was even wider than the group figures revealed (51).

Implications of the projections

These projections have the following implications:

(1) Without changing our economic system in any fundamental way, that is, without instituting elaborate controls or having the Government impose a pattern of consumption, and without Government-imposed, forced high rates of capital accumulation, our economy can grow at a rate as high as 4.6 percent per year. On the other hand, it could prove extremely difficult to achieve rates substantially greater than this within our economic system.

(2) If we avoid stumbling into real depression, the rate of growth may be only as low as 3.5 percent per year, higher than the 50-year average of 3 percent per year which was achieved despite a prolonged interruption in the 1930's. Thus, there is a considerable range of possible growth rates, even within a range of assumptions which exclude depression and a forced-draft economy.

(3) There is a moderate inherent tendency for the rate of growth of the economy to rise in the coming decade if unemployment can be held on the average to about 4 percent, or less, of the civilian labor force. This is due to the increase in the rate of growth in the labor force and to the fact that the rate of increase in the capital stock and the decline in the average age of the capital stock would not be restricted as in the past by long periods of low investment such as occur in periods of prolonged depression. So long as recessions are neither too frequent nor deep, the rate of accumulation of capital can be quite favorable to growth.

(4) Our economic growth is within our own control. If the Government pursues growth-facilitating policies, the economy will expand near the upper limit of the range. If, on the other hand, the Government, as a matter of policy, sacrifices economic growth to the pursuit