

5% Growth Rate Means Restrictions

By Philip Stoddard Brown

The Washington Post, Times Herald (1959-1973); Dec 5, 1960;
ProQuest Historical Newspapers *The Washington Post* (1877 - 1993)
pg. A23

Our Changing Economy

5% Growth Rate Means Restrictions

By Philip Stoddard Brown

In the past 30 years, the production of goods and services in the United States has increased by nearly 3 per cent a year. Output per worker has risen, on the average, a little over 1½ per cent.

To achieve a long-term growth rate of 5 per cent would require austerity, indeed: restriction of consumption, a much higher rate of saving and investment and a host of government controls. It would require a longer workday, shorter vacations, higher participation in the workforce, a higher birth rate and encouragement of immigration. Five per cent is two-thirds greater than 3 per cent.

Output in California, Oregon and Washington, the fastest growing region of the United States, increased less than 4½ per cent in the past 30 years. Population more than doubled, due in large part to migration, and there was enormous investment financed in part by the savings of the rest of the country.

In those foreign countries that are followers, not leaders, in economic development—where radios can be substituted for smoke signals—even higher rates of growth are possible; these peoples can skip the pony-express, telegraph and early-wireless stages of development. Gains in our technology are slower. We can't substitute tractor-drawn combines for scythes, or electronic computers for abacuses.

Let's hope we never achieve a growth rate of 5 per cent a year. Surely those who advocate this goal have no notion of the kind of life it implies.

Let's Forget About Long-Term Growth Rate

Before undertaking to enforce a higher rate of saving and, a longer workday or to encourage a higher birth rate, let's do what we can to achieve a greater output from existing resources. In the main, these are things that can be done only once and do not affect the long-term growth rate very much, but they are very productive in the short run . . .

• Let's use fully the manpower we have. In West Virginia, Scranton and the heart of Chicago, there are tens of thousands of persons unemployed even at the peak of the business cycle. They need to be trained or retrained and, in some cases, transferred to other areas.



Brown

• Let's hire and promote people on the basis of merit. If we are serious about increasing productivity, what's wrong with fair-employment laws?

• Let's not exclude young and old from work, because of age. Let's create more part-time and other jobs for women. Let's operate our schools the year-round. Let's be more intelligent about the rehabilitation of criminals, the handling of school dropouts and the health and welfare of children generally.

• Let's "protect" farmers, manufacturers and labor groups, not by tariffs, quotas, territorial franchises, price-maintenance laws and all those controls and monopolistic practices that protect by exclusion and lessened competition, but by expanding markets and increasing job opportunities.

• Let's individually resolve to be more productive. Like the farmer who, when urged by his county agent to study some new techniques of farming, said he already knew how a farm a dam site better than he was doing, so all of us know a lot that we could do to improve our health, increase the speed and quality of our work and be more effective citizens.

Talk of Projects, Not GNP and Foreign Aid

Let's propose Carnegie-like systems of libraries, clinics, technical institutes, schools or universities in Africa. Let's have more proposals for river improvements, urban renewal projects, junior colleges, and repertory theaters in the United States. Let's plan layouts for whole city blocks not single buildings to fit odd, accidental lot sizes.

These are the objectives that stir men's imaginations. This is the language that people understand, not the vocabulary of those who talk in terms of GNP, disposable income, education, conservation, culture, national security and foreign aid—barren of any specific connotation. Let's talk in terms of specific physical and social needs, not in vague statistical terms where everything is reduced to the common denominator of dollars.

Let's do first what is urgent and achieve in the next few years our potential. Let us do now what is necessary for national security.

If maximum output with existing resources is not enough to provide national security and carry out desired projects of grand design, then will be the time to consider ways of increasing the long-term rate of growth. Today, operating as we are so far below our potential, it is academic.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.