Productivity has declined in US

By Tony Zamparutti

The United States economy is dying a "death by a thousand cuts" and there are no easy solutions to our economic problems, Lester C. Thurow, Economics Professor, warned a packed audience in 10-250 Tuesday evening.

The decline in productivity is a major manifestation of American economic problems, Thurow claimed in his lecture entitled "Restoring American Productivity," and sponsored by The Office of the Dean for Student Affairs and the Lecture Series Committee.

"To improve the US economy "we need to do terribly painful things," said Thurow.

To achieve an increase in productivity and ensure economic recovery will require "a thousand bandages," said Thurow, because no one solution is enough. After many years of supremacy, Americans have become complacent about economic problems. "We have slow economic rot," explained Thurow. "I think the best thing we've got going for us are the Japanese... We need a Japanese Sputnik" to energize American action.

When asked if the United States could recover from what he considered the beginning of a long-term decline, Thurow replied: "I'm an intellectual pessimist and an emotional optimist. If you ask me that question on an intellectual level, we will not pull it out. If you ask that on an emotional level, we might.

"What we do not really understand yet is that we have been passed by other countries" in productivity and economic health, he noted.

Thurow listed a number of reasons why America's productivity is falling, such as the movement of workers from industry to service jobs and the need for additional business investment.

Too many Americans work in management, law, and other service areas, claimed Thurow. In Japan, there is one manager or supervisor for every 200 assembly line workers. In the United States, there is one for every ten workers in many corporations, said Thurow.

Americans do not save enough of their incomes, and industry does not invest enough capital, Thurow said. Investment needs to rise to 30 percent of the gross national product for a proper recovery. "That is precisely where Reaganomics will fail," noted Thurow.

"This [change] is not going to be done in Washington... [but] at the individual level," said Thurow. "We all want to hear a solution. As long as the leader of the country says we've got an easy way out, people are going to listen," until his way is proven ineffective.

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