

1986.⁸⁰ For example, in iron and steel (where Canada was the world leader in 1986), Japanese productivity rose from 30% of the U.S. level in 1963 to 105% of U.S. productivity; in glass products, it rose from 38% in 1963 to 99% of the U.S. level in 1986; and in petroleum refining, it went up from 52% in 1963 to 103% relative to the U.S. in 1986. In other sectors, the convergence was not nearly so strong. In machinery, Japan's productivity in 1963 was 27% relative to the U.S., rising to 73% by 1986; in industrial chemicals (where Canada was the leader) Japan's was 24% in 1963 and increased to 84% of the U.S. level in 1986; in transport equipment it was 30% in 1963 and grew to 68% of the corresponding U.S. measure in 1986; and in electrical goods, it was 30% in 1963 and rose only to 63% of the U.S. figure in 1986. The more extreme examples are natural resource related items, such as food and tobacco products. But Japan's relative productivity remained low in other sectors as well, such as clothing, professional goods and pottery.

● Deindustrialization: The Fiction of U.S. Economic Demise

Has the U.S. experienced a significant loss of its industrial core in comparison to other advanced countries, notably Japan and Germany? This is the fear raised by the deindustrialization school. The U.S. proportion of total OECD manufacturing output

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Average productivity (%) in 12 industrial countries relative to leader (= 100%)		Japanese productivity (%) relative to U.S. productivity (= 100%)		
1986		1963	1982	1986
Industrial chemicals	51 (Canada)	24	69	84
Other chemicals	44 (U.S.)	28	74	84
Iron and Steel	61 (Canada)	30	124	105
Nonferrous metals	58 (Canada)	31	86	85
Paper products	60 (U.S.)	27	52	60
Metal products, n.e.c.	63 (Canada)	24	61	73
Machinery	59 (U.S.)	27	67	73
Transport equipment	50 (U.S.)	30	65	68
Wood products	58 (Canada)	24	66	65
Electrical goods	61 (U.S.)	30	60	63
Petroleum refining	33 (France)	52	103	103

Source: D. Dollar and E.N. Wolff, 1993, Table3.2.