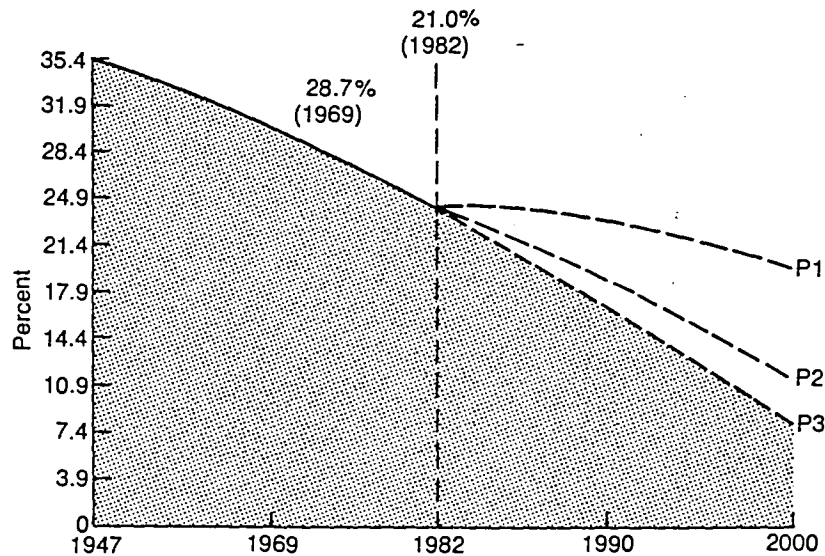


Chart 1-A. Projection of Current Trend - Manufacturing Employment in the United States as Percent of Total Employment



*P1 Competitiveness and high economic growth.* Tracks with some minor, judgmental modifications, the Bureau of Labor Statistics high economic growth rate for manufacturing to the year 2000. Manufacturing as a percentage of employment as forecasted by BLS is possible only with a combination of factors involving greater productivity resulting in part from improved labor-management relations and high general economic growth.

*P2 Competitiveness and low economic growth.* Tracks combination of BLS intermediate and slow growth rate. Manufacturing as a percentage of employment as forecasted by BLS with low-moderate general economic growth is possible only with a combination of factors involving greater productivity resulting in part from improved labor-management relations.

*P3 Noncompetitiveness.* Forecast based on continuation of present trends, although there may be short-term variations; for example, the present upturn in the business cycle. The course of the U.S. economy extrapolated from trend since 1947, which is associated with declining competitiveness in the last two decades.

Source: D. Quinn Mills and Malcolm R. Lovell Jr., "Competitiveness: The Labor Dimension", in Bruce R. Scott and George C. Lodge (eds.), Competitiveness in the World Economy (Boston: Harvard Business School Press, 1985) p. 443.