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Progress Despite 'the Blues' 1977-78

The Planetary Product



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Summary

In the 1970s the flamboyant growthmanship of the preceding decade has given way to disillusionment and malaise over inflation, energy scarcity, the environment, and so forth. Overall output has slackened practically everywhere on the globe, and for the next several years progress is expected to be slow. But the present mood should pass and it will be realized that, interminable local conflicts notwithstanding, the world at large has been at peace (of sorts) and that, using the national product as a yardstick, output has increased between 1971 and 1978 in all major areas of the world by an annual average 4 percent in toto and by 2 percent per capita. This is only 1 percentage point less than in the 1950s and 1960s and decidedly better than in the first half of the century. Then the planetary product grew on average by roughly 2.3 percent--or 1.5 percent per capita, given a lower world population increase.

In 1978, global output was approximately \$8.5 trillion, or \$2,000 per capita. Around 1900, expressed in 1978 dollars (with a purchasing power one-eighth of 78 years earlier), the planetary product aggregated \$750 billion--perhaps \$450 per head, i.e., three-fourths that in the Third World today. The American GNP per capita in 1900 was 2,230 present dollars or two-thirds of what is now considered the "poverty level" of personal income in this country. The share of the US in the planetary product was 23 percent at the turn of the century (now it is 25 percent); Russia's share was about 11 percent (now 12.4 percent), which implies that the GNP ratio between the two great powers has changed very little. Militarily the Russia of 1900 was strong, the US quite unguarded under geopolitical conditions far different from today's.

In the wake of two world wars the US assumed a lead role. In 1950, when reconstruction of war torn nations was well on its way, the American share in the planetary product exceeded one-third. The reduction to what is now 25 percent of world output has by and large been the normal result of postwar reconstruction, massively aided by Uncle Sam; whether American policies have been less than perfect is up to you, dear reader, to judge. Since 1950, US economic growth has lagged behind the Western or world average, though less in the 1970s than in the first twenty years. This means that the developed West (minus the US) as well as the less developed Western countries have expanded faster than the world average and as fast or even faster than the Communist realm with its

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policy of forced growth. From 1950 to 1978 average annual growth was 4.7 percent for the world as a whole, 3.3 percent for the US, 4.6 percent for the non-Communist world including the US, 5.3 percent for the West less the US, 5.0 percent for the Communist area. For the years 1971-78 alone the rates, in the same order, were 4.0, 3.2, 4.0, 4.4, and 4.0 percent--in other words, a similar relationship.

Average rates for many years efface short-term fluctuations. The 1970s exposed the West to startling ups and downs, while Soviet growth (disregarding a few years with either exceptionally good or bad harvest weather) was not only lower than in previous decades and also lower than planned, but mediocre throughout. The Soviet economy has entered a time of sluggishness; in a near future the world may talk not about le mal Anglais but le mal Russe.

The growth rates just quoted and the underlying national product series are the result of calculations beset with statistical caveats and methodological puzzles. There is, first, the gap between (a) GNPs converted into dollars at official rates of exchange floating with precarious control and (b) GNPs converted at purchasing power equivalents. To give one example: at the average 1978 rate of exchange the Swiss GNP per capita was \$14,057 (or 46 percent above the American!); this report is using a procedure yielding a figure of \$8,654 for Switzerland. There is, second, the problem of how to determine the usually underrated purchasing power of less developed countries, especially in the bottom groups. Whatever method is applied to weigh these LDCs on the same scale as the richer nations--the report discusses this almost intractable issue in some detail--the fact remains that the inhabitants of these countries (the elites excepted) are as poor as were the inhabitants of now advanced nations at a time not long past. In recent decades the Third World has made great strides (average annual GNP growth 1950-78 was roughly 5 percent in toto and close to 3 percent per capita). Quite a few countries have expanded their economies astoundingly (above all those with market mechanism) and some of them have joined the club of the economically advanced nations. That this may be a politically troubled process is most visible in the case of Iran. Other countries are actually "retrodeveloping," i.e., their GNP per capita or even in toto is declining as a result of their inability to cope with economic and political problems that have arisen since their ascent into the realm of (a rather proliferated) sovereignty.

Statistical Preliminaries

Focus on Areas and Long-Term Development. This report, an annual one-man effort, presents estimates of national product in toto and per capita for all regions of the world.^{1/} It grew out of an East-West comparison undertaken thirty years ago. In the mid-1960s it was extended to cover the rest of the planet. The paper focuses on areas rather than individual countries. It emphasizes long-term development rather than business conditions of the current year. Extrapolations are avoided; the future seems to take pleasure in discomfiting model plumbers. Our statistical comments show that even the past is uncertain. The data assembled for the past three decades draw the author and any willing reader into the economic and political issues of our time but inevitably also into the methodology of how to define and measure reality. What we perceive as reality depends on definitions, assumptions, and hypotheses, their scope and their limitations (a condition in no way limited to the field of economic statistics).

Degree of Statistical Precision. The 1978 figures are open to revisions. To be exact, they are even more preliminary than estimates for preceding years. Statistics are often corrected after several years. Decimals do not necessarily indicate precision. They are presented only to prevent the distortions that totalling up rounded numbers are likely to produce and facilitate further computations by the reader.

Demography in an Age of Mass Migrations. Demographic findings are not complicated by market valuations but they have their own pitfalls. Censuses may inadvertently or intentionally omit individuals or double-count them. Extrapolations between censuses depend on estimated vital rates and migrations. We live in an era of vast population movements; millions cross borders with or without permits in search of peace or jobs. As long as they are not (yet) Interplanetary, such migrations ought not to affect world totals. If the UN presents for mid-1978 (all population estimates in this report refer to a July 1 date) a figure of 4,208 million, while we opt for over 4.3 billion, the differ-

^{1/} I wish to thank my friend, Arthur G. Ashbrook, Jr., whose important contributions to economic sinology are mentioned on page 21, for his great help in reviewing the manuscript of this report.

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ence is largely due to uncertainties on Mainland China. Recently Beijing (Peking) has greatly increased its population figure (see below) and we can expect the UN to follow suit.

Proliferation of Sovereignty. Table 5 of last year's report listed for the end of 1977 a conglomeration of 158 independent (or sovereign) states. The PRC and the Republic of China were counted as two states (even though each claims the territory of the other as its own), just as were the two Germanys (now viewed as one nation in two states). In 1978 three dependencies became sovereign: the Solomon Islands, Tuvalu, and Dominica. (Two more became independent in 1979: St. Lucia and the Gilbert Islands under the name of Kiribati.) Thus Table 5 of the current issue has a total of 161 states as of the end of 1978. While both Chinas exhibit the full paraphernalia of statehood, the US Government recognizes only one China; if one takes account of this legal distinction, the total declines to 160. The USSR is counted as one state, even though it has three votes in the UN--for itself, the Ukraine, and Byelorussia.

National Product Concepts. All economic aggregates in this report refer to the concept of gross national product (GNP). Statistical offices in Communist states prefer the net material income concept (NMI); their figures are--aside from a general reevaluation--adjusted to GNP by adding depreciation as well as those services that Marxists consider "non-productive."^{1/} Whether one operates with gross national or gross domestic product depends on the purpose, and with full data it is possible to move from one value to the other by either adding to the GDP the net factor payments from abroad (i.e., the income of the country's residents earned in other countries through work or property minus similar income earned in the country by residents in the rest of the world) or deducting from the GNP net factor payments from abroad. In the US the gap between GNP and GDP is less than 1 percent, likewise in most other countries. It is different in economies of the OPEC type; in 1972, i.e., before the oil crunch, Kuwait's GDP was 25 percent larger than the GNP, in 1975 it was the other way around by 6.8 percent. A particularly striking example of divergence between the two values offers Djibouti, the French colony which

^{1/} For details see the excellent Research Paper by John S. Pitzer, USSR: Toward a Reconciliation of Marxist and Western Measures of National Income, CIA, National Foreign Assessment Center, ER 78-10505, October 1978.

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became independent in 1977. In 1976 its GDP was 3.1 times as large as its GNP, the difference coming from France in the form of salaries and other contributions.^{1/} It is hardly necessary to add that for the world as a whole all transfer payments cancel each other out so that GNP equals GDP.

"Real Growth" in a Time of Severe Inflation. All values in dollar refer to its purchasing power of 1978 and all GNP growth rates are meant to be "real," i.e., deflated. Between 1975 and 1978 (years recorded in Table 2 and others) the US GNP deflator rose by 5.2, 5.8, and 7.4 percent, respectively (see Chart IV). The corresponding GNP deflators of other countries enter the calculations insofar as their 1973 GNPs (expressed in 1978 dollars) were extrapolated forward and backward with their "real growth" rates. For instance, if in 1973 some country had a GNP, converted at exchange rates of March/April 1973, of 100 billion 1973 dollars or 143.75 billion 1978 dollars and if its "real growth" of five years is given as 20 percent, Table 2 records the GNP of that country for 1978 as 172.5 billion 1978 dollars. Whether the various deflators--or other price indices--measure the local inflations correctly is another question. The determination of prices for numberless articles of ever-changing quality and usefulness, which are being sold under equally dynamic demand conditions, is an awesome task under any circumstances. In times of hefty inflation there exists, in addition, the danger that the indices become politicized, with monetary authorities tempted to play down the price rise while producers and consumers are inclined to exaggerate the overall inflation in order to claim higher prices or incomes for themselves.

Nations More or Less Developed. In separating countries on different levels of economic development I have shunned controversies on their cultural, social, and political character by making a specific GNP per capita the watershed. In the report for 1967 I established a divide of \$1,000 between developed and less developed economies. Converted into 1978 dollars with the US GNP deflator the amount is now \$1,910 (and still climbing!). Within the two overall areas I have distinguished three groups with different ranges of per capita GNP (see Charts II and III).

As time passes, nations change from group to group, usually--and fortunately--in an ascending order, occasionally with a decline per capita or even in toto. Such shifts,

^{1/} IMF Survey, February 19, 1979, pp. 50-51.

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sometimes only for a year or two (with politics or the weather the cause), pose problems for a tabular presentation over time. In Table 2 and other tables covering the years 1975-78, each country is listed in the category it occupied in 1978. Among the developed economies and in comparison to last year's report, Japan and the Netherlands rose from the second to the first group, Italy from the third to the second group. In the Third World the Republic of Korea has reached the upper of three categories; Rhodesia (Zimbabwe) and Ghana slipped from the second to the third group. However, in Table 7 to 9 for the 25 years 1950-75, countries are at the appropriate moment shifted from less developed to developed status. To give examples on the Western side: Spain moved into the developed realm after 1965, Greece in 1972, several OPEC members in 1973-74. On the Communist side Bulgaria, Romania, and Yugoslavia were counted as developed beginning in the early 1970s. These change-overs affect group totals and rates. Without the ascent of the aforementioned countries the average annual growth rate of the Third World would be higher than 3.1 percent and that of the developed West slightly lower than 4.0 percent during the first half of the 1970s; the dollar values would change correspondingly to higher or lower 1975 totals. During the same period the GNPs of the less developed Communist realm declined only because some of the countries were transferred to the developed group, the GNPs of which rose correspondingly.

East and West. The report differentiates between Communist and non-Communist countries, calling them occasionally also East and West. These appellations are as unsatisfactory as "developed" or "less developed." The expression non-Communist is particularly unfortunate as are most negative terms but "capitalist"--a misnomer from its very beginning--would make even less sense. Table 7, extending from 1950 to 1978, (a) includes Cuba in the Communist world starting with the 1960 entry, and (b) adds from 1975 on South Vietnam, Cambodia, and Laos to the Communist world (the statistical effect is small). At the Bucharest meeting of the Council for Mutual Economic Assistance (CEMA) On June 27-29, 1979, Angola and Ethiopia were admitted as observers; South Yemen (Aden) appears interested in attaching itself to CEMA. Nevertheless, this report counts these three countries as non-Communist. It is hardly necessary to add that "East" and "West" have nothing to do with the compass; if Cuba is "East" and Taiwan "West," the meaning is political. (Turkey, a largely Asian nation, is now viewed as part of Western Europe and UN population statistics have recently included Israel in "Europe").

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The Purchasing Power Puzzle. This report has always aimed--not always achieved--international comparison at purchasing power equivalents, keeping in mind all prices, not only those of goods and services entering foreign transactions. Even for two nations equally developed and structured, official rates of exchange may be far from whatever purchasing power parity, limited to internationally trade products or not. Converted into dollars at average 1978 currency rates the Swiss per capita GNP was \$14,057; I prefer a figure of \$8,654 (see Table 2). The undervaluation of the dollar vis-a-vis the Swiss franc is explicable by events on world monetary and financial markets but not as an expression of relative price levels (an article on the world economy in the Neue Zürcher Zeitung of July 6, 1979, p. 18, gives me to understand that not all of Switzerland's exports cover the costs). My method of converting the GNPs of OECD members into dollars not with current exchange rates but with those of the spring of 1973 was explained in previous issues and will again be commented upon in a later section (pp. 14-17). For an important group of countries the results are almost identical with those of the International Comparison Project (ICP).^{1/}

In the case of two countries with marked differences in economic development, purchasing power equivalents are likely to differ from the values obtained with exchange rates even if the latter correctly reflect the relations in prices of internationally traded goods. These prices usually express the scarcity values of the advanced society (with, for example, its higher labor cost). Exchange rates tend to underrate the social products of less developed economies, the more so the less developed the country is. The problem of international and intertemporal comparison is basically intractable, though the Gilbert and Kravis method offers a solution which nowadays is the best. Since a global system of equivalents is not yet available,^{2/} this

^{1/} The latest publication of this comprehensive project is Irving B. Kravis, Alan Heston, Robert Summers, International Comparisons of Real Product and Purchasing Power, United Nations International Comparison Project: Phase II, Baltimore and London, 1978.

^{2/} An approach is made in an article by Kravis, Heston, and Summers "Real GDP Per Capita For More Than One Hundred Countries" in The Economic Journal, June 1978. It applies to groups of countries for which purchasing power equivalents are not available, the exchange rate deviation index of one of sixteen "representative countries" which had been researched in detail.

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report applies the Third World Supplements I devised years ago, in the full realization that the supplements appear low in specific cases (see below p. 17). Among the Communist countries fairly good purchasing equivalents are available for the Warsaw Pact group; data for the PRC are unsatisfactory (see below p. 20).

Two complications must be flagged. The growth of the national product at purchasing power equivalents between two benchmark years may differ from the real growth in local currency. Let us for simplicity's sake assume that between benchmark years a and b the GNP of the base country (the US) remained unchanged while that of the other country increased in local currency by a real 20 percent; then expressed at deflated purchasing power equivalents the other country's growth would be 20 percent only if the exchange rate deviation index in both benchmark years were the same--which need not be the case with scarcity relations changed from one year to the other.

The second complication arises from the different composition of groups of countries as in the course of economic development some of them move from one group to the other and change either their Third World Supplement or, as in the case of the ICP, the deviation index of their respective "representative country." Such moves from bracket to bracket add to the distortions noted above in the section on "Nations More or Less Developed."

Economic Progress in a Century of Cultural Crises

Planetary Product of 1900: 9 Percent of Today. Since our civilization is now believed to be passing through a crisis, let us look back at those hale and hearty times around 1900 when the Gay Nineties had just ended and the so-called Century of the Child began. It was a world at peace. But when war had broken out in August 1914, Thomas Mann, voicing wide-spread sentiments, called it "putrid from all those comforts, festering and stinking from a civilization in decomposition...War! It is catharsis, liberation...."^{1/} A "crisis of civilization" is sometimes cosy compared to what follows. Let us relish our crisis while it lasts.

^{1/} Quoted in Peter de Mendelssohn, Der Zauberer, Frankfurt, 1975, p. 988.

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"Those comforts" of the early century are hard to measure. Even if the statistics were complete, how do we compare an age of slow railroads with a satellite age? It is therefore with trepidation that I estimate the planetary product for the year 1900 at three-quarters of a trillion 1978 dollars (one-eighth as much, i.e., less than \$100 billion in 1900 dollars). With a world population of 1.65 billion, GNP per capita was roughly \$450 of 1978 value. The 1900 world average is actually below the 1978 per capita GNP of the Third World of about \$600 with our (low) Supplement added or of the entire less developed world with about \$500.

At the beginning of this century a much larger area of the world than now was--to use today's euphemism--"developing," in fact, many countries were not developing at all but had been stagnant, perhaps for centuries or millennia, with occasional ups and downs. This circumstance would call for an average Third World Supplement (or average deviation index) higher than applicable today; it would increase the planetary product of the year 1900 and lower the shares and ratios for advanced nations, but since the extent of the adjustment cannot be guessed at, I limit myself to this general word of caution.^{1/}

US GNP Share in 1900 Same as Today, Russia's Not Much Larger. The American statistics for the early 20th century are fairly good; they show for 1900 a GNP of about 177 billion 1978 dollars in toto and, with 76 million inhabitants, of \$2,230 per capita (the average American was then below the 1978 poverty level of \$3,390 for one person below 65 years of age). The share of the US in the 1900 planetary product of about \$750 billion was 23 percent, i.e., slightly below the current 25 percent. The 1900 ratio between per capita GNP in the US and in the world was 5 : 1 (\$2,230 : 450), practically the same as in 1978 (\$9,640 : 1,955).

Russia was in 1900 a great power with a population 76 percent larger than that of the US (134 : 76 million) and a total GNP of roughly \$82 billion, or \$610 per capita. The resulting Russian-American ratio was 45 : 100 for total GNP

^{1/} After completing this paper I received a copy of an article on "Long Run Dynamics of Productivity Growth" by Angus Maddison in the March issue of the Quarterly Review of the Banca Nazionale del Lavoro, Rome, 1979. Dr. Maddison examines the performance of 16 Western countries for the periods 1870-1913, 1913-50, and thereafter. I do not feel that his findings contradict my calculations.

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and 27 : 100 for per capita GNP. The current ratios are 120 : 100 for population, 50 : 100 for total GNP, and 42 : 100 for per capita GNP. The overall change in the GNP ratio is rather small, the per capita change startling. The latter mirrors the huge losses of the Russian or Soviet population in two world wars, revolutions from below and above, and continuous privation, aside from the emigration in Tsarist times (in close to 80 years the population increased by only 0.8 percent per annum) as against conditions in this country (American annual population increase an average 1.4 percent from natural increase and immigration).

Changing Size and Composition of Mankind. This is the place to mention that about a hundred years ago, in the heyday of colonization and "imperialism," a German demographer predicted for 1980 populations of 900 million Anglo-Saxons, 300 million Russians, and 150 million Germans, while a Frenchman peering into the 21st century, expected that Anglo-Saxons, Russians, and Chinese each would multiply to 300-500 millions, all other nations becoming insignificant.^{1/} The German scholar scored in the case of the Russians and failed badly otherwise; the Frenchman's lower figure may be right for what he called Anglo-Saxons and Russians, completely wrong for the Chinese.

What nobody expected at the beginning of this age was a natural population increase accelerating from roughly 1/2 percent in the 19th century and up to the 1920s to 1 percent during the next 30 years and close to 2 percent thereafter. Mankind increased half and again from 1900 to 1950 and once more from 1950 to 1971. The average covers an even larger growth of the less developed world and a drastic reduction in the increase of advanced nations, irrespective of their political systems. This bifurcation of population trends may arouse hope for an eventual leveling off of mankind's multiplication; in the meantime, however, it worries nations with a very low or even declining natural increase, particularly if they face within their boundaries fast-growing minorities of different nationality, native (as in the USSR) or immigrated (as Southern guest workers in Northern Europe). The worries concern largely intangibles

^{1/} Hübbe-Schleiden, Überseeische Politik, 1883, and Leroy-Beaulieu, De la Colonisation Chez les Peuples Modernes, 1874 and later editions. Both books are quoted in the once famous textbook of the dean of the German Historical School Gustav Schmoller, Grundriss der Allgemeinen Volkswirtschaftslehre, Leipzig, 1900, p. 182.

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(power, prestige, national survival) but also the size and structure of the labor force as a factor of economic growth.

The Soviets are expected to increase in the next twenty years by less than 0.8 percent in the annual average; the Slavs among them will at best become stationary. The problem is actually acute because in the five or six years to come the annual increments to the working-age population will shrink drastically (2.3 million in 1978, perhaps 0.3 million in the mid-1980s). Moreover, the increments will come from the native population of Central Asia and the Transcaucasus. By the year 2000 about one-third of the Soviets will be non-Slavs. The populations of the two Germanys will hardly grow during the rest of the century with immigrants supplying the increase. Official forecasts envisage a decline of the West German population (now 61.5 million) to 42 million by the year 2030. What will be left of Hübbe-Schleiden's 150 million Germans? In both Germanys measures are being taken to stimulate the birth rates. East Germany registered some success in 1977-78 with aid to working mothers. The Federal Republic considers a similar approach, and in the State of Baden-Württemberg mothers, working or not, will receive DM 2,000 (more than \$1,000) at the birth of a child beginning September 1, 1979. In other words, the world is establishing at the same time family planning for less and for more children. The real outcome may be quite different from current forecasts; the case of the two defunct demographers quoted above provides a warning.

The Long-Term GNP Growth Record. The planetary product grew 3.2 fold in the 50 years 1900-1950 and 3.2 fold again in the 25 years 1950-1975. The indifferent performance in the first half of the century (2.3 percent in the average year) was, of course, affected by wars, revolutions, depressions, and other crises of our civilization. In the six decades up to the onset of the Great Depression in 1929, advanced nations with a sufficiency of peace could be expected to increase their GNP annually by 3 percent, the so-called "historical rate." There were important exceptions by country and period. Even toward the end of the past century and up to the First World War, Great Britain, then at the height of its power, had a GNP growth of only 2.1 percent (average 1870-1913). During the same time span US growth was twice as fast (1871-1913, 4.3 percent); even after a deceleration to 3.1 percent during the troubled period between 1913 and 1929 the American average of six decades was still 4 percent. Tsarist Russia's industrial output expanded by no less than 5.3 percent between 1870 and

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1913; it was the deadweight of agriculture that prevented industry from moving the GNP by more than roughly 3 percent.^{1/}

There is no need to recount the dismal performance of countries suffering from the Great Depression. But exactly at the same time, Stalin, under thunder and lightning, created, very much in his image, the Soviet command economy.^{2/} He started a rapid build-up of industries, moving rural masses into eventually more productive pursuits in the cities and pushing investment at the expense of personal consumption, stretching available resources and preventing inflationary financing from unbalancing foreign economic relations by making the ruble a strictly domestic currency.^{3/} According to Abram Bergson's calculations, the Soviet net national product increased between 1928 and 1940 (the latter year including a larger territory) by an average annual 4.2 percent at 1937 ruble factor cost and by 9.3 percent with a composite 1937 base.^{4/} The Nazi regime followed a basically similar course, though with private enterprise maintained and with greater attention to consumer needs. The net national product of the Third Reich rose by a reported annual 9.3 percent between 1932 (when it was at low ebb) and 1939.^{5/}

1/ The one and only source of Russia's development in terms of aggregates is Raymond W. Goldsmith's article "The Economic Growth of Russia 1860-1913" in Economic Development and Cultural Change, April 1961.

2/ Celebrating in April 1979 the 50th birthday of their Stalinist economic system, the Soviets extolled the role of the Party in developing their peculiar institutions. They quoted copiously Lenin and Brezhnev but did not mention Stalin. Imagine a history of Peter the Great's government praising "the achievements of the Russian people led by their Senate and Colleges" around 1700 and quoting only the first and the last Romanov tsars. The recent commemoration of 25 years Virgin Lands settlement similarly exalted Brezhnev and passed over Khrushchev.

3/ See my article "Soviet Economic Performance in a Global Context" in the forthcoming volume of the Joint Economic Committee on The Soviet Economy in a Time of Change.

4/ Abram Bergson, Productivity and the Social System - The U.S.S.R. and the West, Cambridge, Mass., and London, 1978, p. 122.

5/ Statistisches Bundesamt, Bevölkerung und Wirtschaft, 1872-1972, Stuttgart-Mainz, 1972, p. 265.

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The democratic West watch totalitarian growth with uneasy wonderment.

In the meantime Western economic policy had begun to learn from Keynes. A post-World War II depression--widely predicted since people expect always more of the same--did not take place. Instead a new chapter opened in economic history. This high-growth chapter may have come to a close in the 1970s. A noticeable slowdown accompanied by disillusionment and self-doubt has given rise to the question whether the world economy has entered a long-lasting period of lower or even low growth or whether the stunted growth would be limited to specific areas, above all to the advanced industrial nations of the West.

The American Role in OECD Growth. For purposes of this report I will separate the two decades up to 1970 from the ensuing years and distinguish not only between East and West, i.e., Communist and non-Communist areas, but also between the West including and the West excluding the US.

The rationale for this latter distinction is the fact that in the three decades since 1950 US economic growth has lagged behind the Western or world average, though more in the first twenty years than in the 1970s. Now the same can be said of other countries (particularly the UK) but the US is not just another country but an enormous chunk of the world economy. In 1950 its share in the planetary product was over 34 percent, of the West's product 43 percent. The respective figures for 1970 are 26.5 and 34 percent, for 1978, 24 and 32 percent. This reduction was in part perfectly normal. As nations ravaged during the Second World War regained their strength, the economic preeminence of the US receded. This shift was actually fostered by American financial help to friend and foe alike and the Americanization of production processes in developed and less developed countries. Whether and to what extent errors in omission and commission in American policy and performance have contributed to a diminished US role in the world economy is a question I need not address in this report; I see grounds for criticism at least in monetary and currency matters.

Between 1951 and 1970 the American economy expanded by an average annual 3.6 percent (the rate would be slightly higher without the recession years at the end of the 1960s). Average annual growth for the world as a whole was 4.9 percent, for the West 4.8 percent, for the West less the US 5.5 percent, for the USSR 5.5 percent, for all Communist

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countries 5.4 percent, for OECD as a whole 4.5 percent, for OECD less the US 6.0 percent, for the Third World roughly 5.5 percent.

The figures quoted in the preceding paragraph show furthermore that between 1950 and 1970 growth rates in the Communist world--and particularly in the USSR with a share of around 58 percent in the combined Communist GNPs--were slightly higher than in the entire West, equalled those of the West outside the US, and were actually half a percentage point lower than in the OECD less the US. This means that the Soviet-American GNP ratio increased from 33 : 100 in 1950 (when the USSR's reconstruction had not yet been completed) to 48 : 100 in 1970 (see Chart V); the GNP ratio between Western Europe and the USSR changed in the West's favor from 45 to 52 : 100. The share of the USSR in the planetary product rose slightly, from 11.4 percent in 1950 to 12.8 percent in 1970.

The 1970s: Wild Ups and Downs in West, Mediocre in USSR. In the eight years 1971-78 growth rates dipped in general but decelerated less in the US (with its average growth of 3.2 percent) than in most other areas. For the world as a whole the rate was 4.0 percent, for the West likewise, for the West less the US 4.4 percent, for the USSR 3.6 percent, for all Communist countries about 4 percent, for OECD as a whole 3.5 percent, for OECD less the US 3.8 percent, for the Third World roughly 3.9 percent. The record for the 1970s would be slightly lower with inclusion of 1979-80, assuming that current signs of an economic downturn are validated. The latest OECD forecast for 1979 is 2 1/2 percent, and a recent estimate of the Institute for the World Economy in Kiel, West Germany for 1980 is 2 percent. CIA/OER, in a statement before the Joint Economic Committee on July 26, 1979, expects for the USSR a GNP growth of "somewhat less than 3 percent annually over the next few years (down from our earlier estimate of about 4 percent)" and of 2 percent or even less than 1 percent in the mid-1980s. Will the world in a near future talk about le mal Russe?

Decades are measures of the calendar and not necessarily of economic development but each of the three decades under review has a degree of consistency. The 1950s were rehabilitation years in many parts of the world with a corresponding fast growth and, at the same time, a period of considerable cyclical fluctuation in the preeminent US. The 1960s were the years of growthmanship with only moderate oscillations. The 1970s exposed the West to startling ups and

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downs (illustrated in Chart I) with the reduced average growth mentioned in the preceding paragraph, while Soviet growth was not only lower than in previous decades and also lower than planned, but mediocre throughout (disregarding a few years with either exceptionally good or bad harvests-- such agricultural happenings influencing GNP movements greatly in a country with an abnormally high weight of farming in its economic structure).

Survey By Region

The Developed West. What this report, in line with its definitions, calls the developed West consisted until the early 1970s of the members of the OECD (in its present composition, i.e., with Australia and New Zealand) less Portugal and Turkey which then and now must be considered as less developed, and with some minor additions such as Puerto Rico and Outlying Territories of the US as well as Israel. All these are highly productive units, their productivity resulting from their political and economic character: by and large pluralistic societies with market economies operated by private enterprise, though with varying degrees of state intervention (sometimes apt and often inept).

Since 1973 the group has been joined by more nations outside of the OECD, namely oil producers suddenly grown rich and superrich, aside from several small but highly dynamic market economies (Singapore and Hong Kong). Getting rich quick--individually or collectively--has its problems, even if it is due to entrepreneurial abilities, much more so if it is the result of a bonanza exploitable under the existing political circumstances. The prime example of an embarras de richesses is currently Iran which, for a brief time, represented half of the affluent OPEC group's population and one-third of its GNP and now appears to have declined from "developed" to "developing" status (developing, that is, in the wrong direction). A very small bonanza state might be able to establish itself, after exhausting its exportable resources, as a rentier community. We are thinking of Nauru, a tiny island in the Pacific with a handful of inhabitants but blessed with rich phosphate deposits; in the longer run the fate of this unique state will depend on the soundness of its investments, the controllability of its guest workers, the lack of aggressive neighbors, and the ability of its inhabitants to endure a pensioner's lot. But nations of a mere normal size and position are easily torn between conflicting modes of behavior and ideologies, apart

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from the sometimes dangerous presence of vast numbers of guest workers with or without permits.

Over the years the share of the developed West in world population and world product (about 18 and 63 percent, respectively, in 1978) has changed little. The low population increase of the advanced nations tends to reduce their demographic share but this effect is offset by the latter-day inclusion of the oil countries. The combined GNPs of the affluent OPEC nations represents only 4 percent of the developed Western GNPs and while they have soared after the oil crunch of late 1973, the total is too small to affect the output share of the advanced economies more than marginally.

As in previous years the dollar value of the developed Western GNPs requires explanation. Freely floating exchange rates may in theory reflect purchasing power parities, at least for internationally exchanged goods and services and with some time lag until the new equilibrium is reached. The managed rates of recent years are as far from purchasing power parity as were often the fixed rates of the past, particularly when they are badly managed. The dollar has not only lost half of its internal purchasing power in ten years, its external value has fallen beneath its internal value vis-a-vis important currencies. When foreign GNPs are converted into dollars at the average 1978 par rate market rate, the GNP of the European OECD members is overvalued by one-fourth, that of Japan by one-third; in the case of Switzerland and also Iceland the overvaluation is more than 60 percent. A State Department report using average exchange rates (quoted in the footnote of the following table) calculates the Swiss 1978 per capita GNP at \$14,057; the appended Table 2 reports \$8,654. The Icelandic per capita GNP, \$9,318, is seemingly as high as the US per capita GNP (\$9,640); the present report has a figure of \$5,706.

How reliable are the estimates in this report? They are by no means precise (whereas the currency rates underlying the aforementioned State Department report are statistically correct) but they are closer--not to the value international monetary markets ascribe to the dollar in relation to local money but to purchasing power equivalents. Our rates were again derived by extrapolating the 1973 GNPs converted at March/April 1973 rates of exchange (see The Planetary Product in 1973, p. 19) to subsequent years with the help of real growth rates in local currencies

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AGGREGATES IN THREE CALCULATIONS
(billions of 1978 dollars)

<u>Country or Area</u>	(1) 1975 GNP in this report	(2) 1975 GDP according to ICP	(3) (2) : (1)	(4) 1975 GNP at 1975 exchange rates	(5) (4) : (1)	(6) 1978 GNP in this report	(7) 1978 GNP at 1978 exchange rates	(8) (7) : (6)
Germany, Fed. Rep. of	457.97	419.33	91.5	504.35	110.1	513.06	640.2	124.8
France	367.16	359.39	97.9	407.12	110.9	411.33	470.2	114.3
UK	236.73	296.72	125.3	279.27	118.0	254.18	309.6	121.8
Italy	192.53	225.16	116.9	206.43	107.2	210.68	235.2	111.6
Netherlands	81.02	82.41	101.7	96.40	119.0	88.09	130.6	148.3
Belgium	63.71	65.71	103.2	75.47	118.5	69.72	98.1	140.7
Japan	619.93	622.00	100.3	579.46	93.5	727.86	968.8	133.1
Total	2,019.05	2,070.72	102.6	2,148.50	106.4	2,274.92	2,852.7	125.4

Sources:

- Column 2: Derived from Irving B. Kravis, Alan Heston, Robert Summers, et. al., International Comparisons of Real Product and Purchasing Power, United Nations International Comparison Project: Phase II, Johns Hopkins University Press, 1978, p. 133. "Approximate Indexes of Real GDP Per Capita" (Table 4.19, p. 133) for 1975 applied to the US GDP per capita for 1975, i.e., \$7,109 at 1975 prices or \$8,563 at 1978 prices.
- Column 4: Economic Growth of OECD Countries, 1965-1975, Department of State, Bureau of Intelligence and Research, Report No. 382, April 2, 1976, p. 9.
- Column 7: Same report for 1968-1978, p. 10, No. 1142, March 15, 1979.

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and the US GNP deflator to adapt 1973 dollar to its 1978 value (down 44 percent). In this context we repeat our warning that the real growth rates depend on the reliability of the price indices.

As a check I compared my results for seven OECD countries with the latest data published by the International Comparison Project, namely for the year 1975, and with GNPs converted at average rates of exchange for 1975. The values are all in 1978 dollars. The countries enumerated in the table represent about 84 percent of the OECD GNP total not counting the base country, namely the US. For the year 1975 the GNPs of the seven foreign countries are 2.6 percent larger in the ICP calculation than in our Table 2, column 1; the official exchange rates yield a value 25.1 percent higher. (See table on p. 15.)

The difference of 2.6 percent between my figures and those of the ICP for seven countries combined is minimal and the same is true for several specific nations, namely for Japan (ICP versus this report 100.3), France (97.9), the Netherlands (101.7), and Belgium (101.2). Even the difference for West Germany is bearable (91.5). It is, however, considerable for Italy (116.9) and the UK (125.3). There is, of course, some ground for deviation because of revisions in the underlying statistics, the use of GDP instead of GNP, and deflation. The ICP calculations themselves have undergone revisions; for the benchmark year 1970, looking at ICP publications in three different years (1973, 1975, 1978), the exchange rate deviation index for Japan changed from 1.64 to 1.45 to 1.49, for West Germany from 1.13 to 1.19 to 1.22, for the UK from 1.47 to 1.35 to 1.39, for Italy from 1.32 to 1.30 to 1.37.^{1/} The higher ICP figure for Italy is probably explicable in terms of Italy's less developed Southern provinces; lesser development is associated, on the whole, with higher exchange rate deviation indices. In the case of the UK the trade conversion factor of the spring of 1973 contributed to an undervaluation of the pound, though this does not suffice to explain the total difference. Since the present report, as repeatedly stated, focuses on areas rather than specific

^{1/} The three indices are taken from (a) the ICP's Preliminary Report of January 1973, p. I-13a; (b) a report prepared for the Econometric Society, Dallas, Texas, December 1975, p. 14; (c) the volume quoted in the table above, p. 10. It is, of course, inevitable that calculations are revised and improved in the course of research.

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countries, the margin of error appears tolerable for the OECD countries as a whole and also for at least four or five of the seven countries; the values certainly make by far more sense than those obtained with exchange rates of later years.

OPEC Affluent and Poor. The aggregate data of the advanced OECD countries are models of statistical precision compared with the demographic and economic data for OPEC members. As in previous issues of this report, the estimates are those published in CIA's Handbook of Economic Statistics^{1/} and other sources of CIA/OER. They provide at least an approximate idea of the size and development of the various economies.

OPEC has 13 member states (enumerated in Table 2), of which in 1978 eight were "affluent" and seven "less developed" (Iran is likely to return to the latter fold in 1979). Not in OPEC but in its Arab sister organization OAPEC are two additional less developed countries, Syria and--suspended since April 1979--Egypt. Demographically, "affluent" OPEC is weak (only 61 million inhabitants and, if Iran is counted out, only 25 million), while the less developed OPEC/OAPEC nations have close to 300 million (Indonesia, Nigeria, and Egypt alone have 252 million inhabitants). OPEC/OAPEC's combined GNPs amounted to roughly \$435 billion, half in its affluent, half in its indigenous group. The total (with Third World Supplements added) is about as large as France's GNP.

The Less Developed West. Within the Third World, India is the largest unit with one-third of the group's population and--without Supplement--10 percent of its GNP. We will therefore use India as an example for some of the statistical problems encountered.

There exists agreement on the desirability to increase the GNP of India and other less developed countries beyond the amounts obtained with the help of official exchange rates--a problem discussed in each of the reports of this series. I have staggered the Third World Supplements from 10 to 30 to 60 percent according to the level of the per capita GNP (the lower the per capita figure, the higher the Supplement), and in Tables 1 and 2 the Indian GNP of 1978 converted at the official rate into \$105.1 billion was

^{1/} The latest issue is for 1978 and is designated ER 78-10365, October 1978.

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raised by 60 percent to \$168.1 billion. This may be too low, and in the case of India--conditions differ from country to country--a 100 percent Supplement may be more appropriate, in other words, a total of about \$210 billion. ICP devised for its benchmark year originally an exchange rate deviation index of 3.70, which later it reduced first to 3.49, then to 3.35. The index for 1973 is now 3.06.^{1/} This index appears high; it may, for instance, overstate the real value of Indian services as compared to services in an advanced country and, in particular, the US as the base country.^{2/} I will return to this problem when I discuss the GNP ratio between India and the PRC.

There exists also some disagreement on the Indian population. The official figure for mid-1978 is 643 million; this report, following the US Bureau of the Census, operates with a figure of 660.7 million. The difference is actually only 2 3/4 percent, less than the range of uncertainty for the US population, but given India's large population, it is impressive in absolute terms, namely 18 million people. ICP is using official population estimates; this implies a larger per capita GDP than the Bureau of the Census figure.

While 18 million people are plenty enough for a whole country (Canada has now 24 million), the number becomes insignificant in the context of the Third World with hazy population statistics in many nations and a total exceeding 2 billions. Suffice it to state that the Third World as here defined (i.e., including the less developed OPEC members) embraces 47 percent of mankind. One-third of humanity belongs to the group with the lowest GNP per capita (an average of \$478). They are spread over more than one hundred independent states (56 states in the lowest group, as Table 5 shows for the end of 1978) and a dwindling number of dependencies. Three-quarters of these sovereign states were colonies until the Second World War (provoked to ensure the domination of a Northern "master race") triggered the latest and last decolonization move.

^{1/} Sources listed on p. 19, FN 1. Item (c) contains also the index for 1973.

^{2/} According to the ICP book referred to under (c), services of all kinds in the India of 1973 constituted 36.3 percent of the GDP at international prices, 16.6 percent at national prices (p. 124).

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In GNP terms the Third World produces, without our Supplements, 12 percent of the world's product (the bottom group less than 4 percent) and with Supplements close to 15 percent (lowest group 6 percent). ICP-type adjustments would increase the GNP total of the Third World by about \$1 trillion, increasing its per capita GNP to roughly \$1,100. But the GNPs of the developed West would also undergo a rise of about \$200 billion. The share of the developed West in the world product would decline (from our 63.5 percent) to 57 percent, while that of the Third World would increase (from our close to 15 percent) to some 23 percent. However, ICP covers only the "West" (except for Hungary); the Communist world would also require ICP-type adjustments. They would affect--not the GNP values in toto and per capita of the Third World but its share in the world product.

Whatever methods are used to arrive at purchasing power parities for the bottom groups in mankind's economic structure, the fact remains that their inhabitants (the elite excepted) are as poor as were the now advanced nations in a time not long past (see p. 7). In recent decades many less developed nations have made astounding progress through their own efforts (including the establishment of efficient economic systems) and through aid and trade relations with the advanced West. This process of acculturation will continue but it requires usually much time and all too often evokes political friction internally and between nations. Some countries are actually "retro-developing," i.e., their GNP per capita or even in toto is declining as the result of their inability to cope with economic and political problems that have arisen since their ascent into the realm of sovereignty.

The Developed East. The developed sphere under Communism consists nowadays of the USSR, of "Eastern Europe" as it is called in Table 1, i.e., the six smaller members of the Warsaw Pact, and of Yugoslavia. These countries embrace 9 percent of mankind and produce twice this percentage, namely 18 percent of the planetary product (this ratio of product to population is 63.5 : 18.3 in the developed West). All the GNP figures denote purchasing power equivalents. Over the years CIA/OER has elaborated detailed series on Soviet national accounts by origin and end use. I was permitted to append CIA's ruble calculations to my article "The Soviet Economy in a Global Context" in the forthcoming volume of the Joint Economic Committee on The Soviet Economy in a Time of Change. Converted into dollars, my own GNP figures are somewhat below CIA's dollar series, particularly

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in its latest revision which will also appear in the JEC tome. I have tried to justify my diverging views in Section IIA of my JEC paper, comparing them on this occasion briefly with the figures of other authors.

The GNP data for Eastern Europe are taken from Economic Growth in Eastern Europe 1965-78 by Thad P. Alton and Associates, Research Project on National Income in Eastern Central Europe, New York, 1979. The Romanian estimate yielding a per capita GNP above that of Poland and Hungary appears to be on the high side.

As to Yugoslavia the GNP series is the one published in the CIA Handbook of Economic Statistics 1978 (p. 17), the population data are the generally accepted UN statistics. However, a thoughtful Yugoslav author, Ivo Vinski, presents population estimates that are about 5 percent lower (for 1975, the last year Vinski covers, 20.25 millions instead of the UN's 21.35 millions) because he believes the higher figure includes Yugoslav emigrants. In Vinski's calculation the demographic impact on the per capita GNP is almost offset by a 4 percent lower GNP in toto.^{1/} The problem Vinski tackles concerns many countries; as mentioned in last year's issue, the Environmental Fund, a research organization in Washington, D.C., increases the US population figure considerably on account of illegal or otherwise uncounted immigrants, largely from Mexico, and reduces the Mexican population figure correspondingly.^{2/} Migrants cause the demographers migraine.

The Less Developed East. The developed Communist area is, with the important exception of Yugoslavia, identical with the Warsaw Pact group. Of the less developed East, leaving aside tiny Albania in its not too splendid isolation, a small portion is associated with the USSR (Vietnam, North Korea of doubtful reliability, Mongolia, Cuba--the

^{1/} Ivo Vinski, Kretanje Društvenog Proizvoda Svijeta Od 1910. Do 1975. Godine, Ekonomski Institut Zagreb, 1978, p. 116. Vinski has made a valiant attempt to provide GNP and population data for the entire world from 1910-75.

^{2/} The Environmental Fund's mid-1978 population figure for the US is 230.2 instead of an official 218.4 million, for Mexico 61.8 instead of 65.8 million, the growth rate for the US 1.7 instead of 0.7 percent, for Mexico 0.9 instead of 3.3 percent. According to the Fund the US has almost 12 million more inhabitants or 5.4 percent more than officially stated.

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status of Kampuchea and Laos is unclear). Ninety percent of the region, by population, is represented by the People's Republic of China. In our calculation the less developed Communist area has a share of no less than 25.4 percent in the world population, a share of 4.4 percent in the planetary product. But the statistics are problematical. They are very tentative for all the small countries enumerated but the latter have limited importance in regard to manpower and GNP; much more worrisome is the uncertainty surrounding what will be a formidable superpower in a foreseeable future.

In recent years the PRC Government had hinted at a rather low population ("more than 700 million" or "830 million" are figures divulged in the same year 1972) and for 1978 the UN, following Beijing's guidance, published an estimate of about 860 million (I deducted Taiwan which the UN includes in its Chinese figure). These reports have always used the series elaborated by John S. Aird, Bureau of the Census, FDAD; his medium number for mid-1978 is 1,003.9 million. As reported in The Washington Post, May 14, 1979, Beijing authorities disclosed to prominent American visitors that they are now using a figure that, extended to mid-1978 and excluding Taiwan, amounts to about 966 million. A census is planned for 1980; the new official information is still an uncertain estimate. It is only 3.9 percent below Aird's figure, and we see less reason than ever to discard his calculations.

The most elaborate estimates of the PRC's GNP--intended to come close to purchasing power parity--have always been those of Arthur G. Ashbrook and Robert M. Field. They were published and updated in the Joint Economic Committee volumes on the economy of Mainland China of 1972, 1975, and 1978. Mr. Field, in association with K. C. Yeh of the RAND Corporation, has been heading up an ambitious effort to construct a set of Chinese national income accounts along US Department of Commerce lines, with publication scheduled in 1980. I have opted for the series in the 1972 JEC tome^{1/} and have extrapolated it precariously to this date. Though I am not a Sinologist, I consider the revised JEC series

^{1/} Arthur G. Ashbrook, Jr., "China: Economic Policy and Economic Results, 1949-71," in the Joint Economic Committee volume People's Republic of China: An Economic Assessment, May 18, 1972, p. 5. Ashbrook's latest article "China: Shift of Economic Gears in Mid-1970's" appeared in the JEC publication Chinese Economy Post-Mao, November 9, 1978, p. 208.

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as moving too fast. This new series has for the years 1952-70 an average annual growth rate of 5.6 percent; the former rate was 4.1 percent. For 1971-78 the two authors present an average rate of 6.6 percent; my uneducated guess is above 5 percent and even this may be on the high side. The increased rates of Ashbrook and Field happen to coincide with the Soviet rates for the same periods (5.6 and 5.2 percent); their 1952-78 rate of 5.9 percent is almost 1 percentage point above the Soviet rate. It ought to be remembered that the Soviet series has in 26 years only one case of GNP decline or, to be exact, of zero growth (1963 minus 0.04 percent), while according to Ashbrook and Field the PRC GNP dipped from 1958-61 by 37 percent and regained the 1958 level only six years later; it declined by 4.3 percent in 1967 and did not grow at all in 1976. Since the agricultural production index used by Ashbrook and Field for the period 1952-78 increased by an average annual 2-1/4 percent and their industrial index by 10.5 percent (services are added to either agriculture or industry), the PRC's agriculture has now a share of 30 percent in the GNP by origin, industry of fully 70 percent. If it were possible to improve the coverage of the slow-moving services, if Ashbrook and Field were able to steer away from physical output data, if they could gauge changes in quality (which has deteriorated in many fields) and take account of the Gerschenkron Effect, their growth rates are likely to return to those in their previous series (or would even remain below them).

My series ends with a 1978 GNP of \$324 billion, which with Aird's population estimate, yields a per capita GNP of \$323. Ashbrook and Field provide much higher figures, namely \$437 billion and \$435, respectively. The calculation for the PRC must be viewed in a broader context, in particular in relation to the findings for India and the USSR. If the Indian GNP were tripled to conform to the ICP deviation index, it would rise to 315 billion in toto and \$477 per capita. The Indian-Chinese ratio would then be 72 : 100 and 110 : 100, respectively. Opinions differ as to whether India or the PRC has the larger per capita GNP (which must not be mistaken for consumption and says even less on income distribution). I am inclined to favor the PRC considering its decidedly faster growth over the postwar decades and a number of important physical output data. If this is correct, the indicated Indian-Chinese ratio would require emendation with three alternatives in mind. Either the demographic data underlying the per capita figures are wrong (but Beijing's new pronouncements support the Aird estimate!). Or the ICP purchasing power for India is on the high side (see above p. 18). Or, finally, the Ashbrook-

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Field estimate for the PRC, instead of being too high, is below the purchasing power equivalent. If the Indian-Chinese ratio for GNP per capita were reversed (not 110 : 100 but, say, 100 : 110), the Ashbrook-Field figure would rise from \$435 to \$525. With Aird's population figure the PRC total would increase to \$527 billion, i.e., half the Soviet GNP. This is unlikely. Until better data are available, I continue to use and extrapolate for the PRC the series Ashbrook presented in the JEC volume for 1972 and for India a dollar series at nominal rates increased by a 60 percent Third World Supplement, which I apply to poor countries in general. The latter percentage is, as I have admitted all along, on the low side and so is the resulting Indian-Chinese ratio of 78 : 100 for GNP in toto and 52 : 100 per capita. If, the statistician's eye in a fine frenzy rolling, I may express my hunch, I would raise my Third World Supplement in the case of India to 100 percent and increase the Chinese per capita GNP by about 10 percent above the Indian. This would provide ratios for GNP in toto of 60 : 100 in the Indian-Chinese comparison, of 20 : 100 in an Indian-Soviet comparison, of 24 : 100 in a Sino-Soviet comparison, of 17 : 100 in a PRC-US comparison.

Economic Power Ratios

It is obvious that neither total nor per capita GNP is a sufficient yardstick to measure political and military power. If two countries engage in a power struggle of short duration--the confrontation may in the end be limited to diplomacy and propaganda--the men and weapons ready for immediate action are, of course, of utmost importance. But the economic strength that a large GNP indicates, particularly when coupled with technological superiority, provides a corresponding capability to arm and resist. For this reason we use the accompanying tables for the following select comparisons:

In 1978 the population of the Warsaw Pact members numbered 65 percent that of NATO; the GNP ratio was 36 : 100 in toto, 55 : 100 per capita. The greater economic strength collected in NATO is obvious. The political and military balance is another story. Part of this story is the position of the protagonist in each alliance system. In the Warsaw Pact the USSR accounted for 71 percent of the population and 73 percent of the GNP, in NATO the US for 53 percent demographically, 37 percent economically. Decisions are obviously easier to arrive at in a group consisting of one superpower and six middle-sized countries than in the NATO with one superpower and fourteen nations, great,

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medium, and small (not to mention the difference between Eastern authoritarian and Western democratic rule). The Soviet Union's largest partner, Poland, had a GNP 9.7 percent that of the USSR; next in line was the GDR with 7.7 percent. Romania, at 6 to 7 percent of the Soviet GNP and yet at sixes and sevens with its imperious Pact leader plays a risky game. In NATO the West German GNP was 30.4 percent as large as the American converted into dollars at the average 1978 exchange rate or 24.4 percent at a rate closer to purchasing power equivalents; the corresponding proportions for France (with its currency less overvalued vis-a-vis the dollar than the mark) were 22.3 and 19.5 percent, for the UK 14.6 and 11.2 percent, for Italy 12.1 and 10 percent. Even the latter ratio gives Italy more economic weight in NATO than Poland possesses in the Warsaw Pact.

Each superpower has military commitments besides NATO and the Warsaw Pact. They range in form from multi- or bilateral-treaties to policy declarations and in substance from low-risk to high-risk associations and from solid to brittle.^{1/} In the Soviet camp are Mongolia, North Korea, Vietnam, and Cuba. The strength of commitments between the USSR and several African and Asian countries is uncertain. Beyond NATO, the US is firmly bound to Japan, South Korea, Australia, New Zealand, and Israel; the American defense treaty with the Republic of China continues into 1980; security assistance is likely to go on beyond this date. The US has given additional pledges to the Philippines and Thailand (both members of ASEAN) and to others. The ASEAN countries (others are Indonesia, Malaysia, and Singapore) are not covered by explicit American commitments but their outlook tends to tie them to the Western side. (In 1978 ASEAN as a whole had 247 million inhabitants and a GNP--with Third World Supplement--of \$165 billion, i.e., 44 percent as much population and 4 percent as much GNP as NATO).

What stands out in a comparison limited to the countries enumerated in the preceding paragraph (of course, not counting the ASEAN group) is that the Soviet group with all its associates encompasses about 10 percent of mankind and 18 percent of the planetary product, the Western group

^{1/} John M. Collins, in his book American and Soviet Military Trends Since the Cuban Missile Crisis, Washington, D.C., 1978, lists on pp. 161-165 the security commitments of both sides as of early 1978.

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17 percent of the world's population and 58 percent of its product. If the balance of power differs from the GNP ratio it is not for lack of wherewithal on the part of the US and its confederates. In fact, the US alone has close to half as many people as the Soviet side and an output (achieved with superior technology) 43 percent larger than the USSR together with its allies.

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Table 1. GNP SERIES WITHOUT THIRD WORLD SUPPLEMENT FOR SELECTED AREAS, 1950-78
(in billions of 1978 dollars)

<u>Year</u>	<u>United States</u>	<u>Canada</u>	<u>Brazil</u>	<u>OECD Europe</u>	<u>Japan</u>	<u>India</u>	<u>People's Republic of China</u>	<u>USSR</u>	<u>Eastern Europe</u>
1950	811.40	51.73	17.56	626.77	73.81	39.50	70.10	269.68	110.40
1951	876.80	55.03	18.60	658.42	n.a.	40.61	81.60	280.19	n.a.
1952	910.26	58.93	20.22	665.07	93.64	41.66	96.25	296.02	n.a.
1953	945.70	61.64	20.72	702.61	98.88	44.12	102.56	312.15	n.a.
1954	933.38	60.89	22.82	732.51	104.65	45.22	106.70	328.92	n.a.
1955	995.89	67.93	24.39	772.31	113.90	46.76	117.20	357.60	142.96
1956	1,017.18	73.67	25.18	798.51	122.21	49.33	126.60	385.06	144.88
1957	1,035.58	75.39	27.21	841.13	131.31	48.65	133.90	408.85	156.13
1958	1,033.45	77.13	29.30	859.49	138.68	52.49	148.40	440.24	163.91
1959	1,095.66	80.06	30.94	886.69	151.01	53.44	143.70	463.69	175.28
1960	1,120.60	82.38	33.94	977.01	171.14	57.02	138.90	479.31	186.91
1961	1,148.74	84.72	37.44	1,031.41	195.92	59.04	110.40	508.60	196.12
1962	1,215.35	90.49	39.39	1,078.30	209.67	60.66	120.20	526.80	200.43
1963	1,263.41	95.15	40.03	1,128.19	231.61	63.89	135.00	526.59	206.30
1964	1,329.88	101.53	41.19	1,196.32	262.05	68.75	150.85	574.18	217.56
1965	1,408.20	108.30	50.74	1,251.60	275.54	65.77	169.60	608.91	226.66
1966	1,492.00	115.82	52.65	1,299.54	302.54	66.51	179.30	645.96	240.05
1967	1,532.61	119.69	55.22	1,339.85	341.71	71.94	174.90	675.47	249.97
1968	1,599.68	126.68	61.39	1,412.11	387.53	73.98	173.30	715.16	260.12
1969	1,640.75	133.43	67.49	1,499.86	429.03	78.69	190.50	735.00	265.21
1970	1,635.42	136.79	73.43	1,579.21	475.93	83.24	217.00	790.17	273.28
1971	1,684.40	146.17	83.20	1,636.06	511.13	84.20	230.50	816.47	289.11
1972	1,781.13	155.14	92.96	1,708.07	557.71	83.31	238.80	830.83	303.39
1973	1,878.31	166.84	105.89	1,800.27	612.55	87.57	257.30	892.90	317.27
1974	1,852.15	172.96	116.24	1,845.21	604.86	87.63	267.30	921.64	332.22
1975	1,828.60	174.80	122.84	1,812.68	619.93	90.85	283.33	940.40	345.96
1976	1,932.80	184.95	133.86	1,897.52	657.13	92.30	283.33	980.84	360.47
1977	2,027.50	189.93	140.10	1,935.25	687.96	97.84	300.50	1,014.19	372.62
1978	2,106.90	196.58	148.93	1,993.23	727.86	105.08	323.94	1,046.64	384.33

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Table 2. PLANETARY PRODUCT WITHOUT THIRD WORLD SUPPLEMENT, 1975-78, BY COUNTRY
(Value data in 1978 dollars)

Country or Region	1976 GNP		1977 GNP		1978 GNP		Share in 1978 Planetary Product	Population Mid-1978 (millions)	Share in 1978 World Population (in %)	1978 GNP per Capita (dollars)	
	1975 GNP (billions)	Growth (in %)	1976 GNP (billions)	Growth (in %)	1977 GNP (billions)	Growth (in %)					1978 GNP (billions)
WORLD	7,208.47	5.0	7,569.69	3.9	7,862.04	4.0	8,173.44	100.00	4,327.48	100.00	1,889
<u>Non-Communist Developed Countries</u>	4,736.65	5.5	4,997.30	3.6	5,178.83	3.7	5,371.92	65.72	790.99	18.28	6,791
<u>With a per capita GNP of \$5,731 and more</u>	3,958.78	5.6	4,181.68	4.0	4,347.13	3.9	4,515.69	55.25	545.62	12.61	8,276
<u>In North America</u>	2,003.40	5.7	2,117.74	4.7	2,217.43	3.9	2,303.48	28.17	242.17	5.60	9,512
US (50 States)	1,828.60	5.7	1,932.80	4.9	2,027.50	4.0	2,106.90	25.76	218.55	5.05	9,640
Canada	174.80	5.8	184.94	2.7	189.93	3.5	196.58	2.41	23.62	0.55	8,323
<u>In Western Europe</u>	1,161.82	4.9	1,219.03	2.3	1,247.51	2.9	1,283.81	15.70	162.47	3.75	7,902
Sweden	72.82	1.5	73.91	-2.5	72.11	2.3	73.73	0.90	8.29	0.19	8,894
Switzerland	53.37	-1.4	52.63	2.7	54.05	1.0	54.59	0.67	6.31	0.15	8,651
Germany, Federal Republic of	457.97	5.6	483.62	2.6	496.19	3.4	513.06	6.27	61.28	1.42	8,372
Norway	27.89	6.0	29.56	4.1	30.77	3.8	31.94	0.39	4.06	0.09	7,867
France	367.16	5.6	387.72	3.0	399.35	3.0	411.33	5.03	53.29	1.23	7,719
Denmark	35.56	5.3	37.44	1.8	38.11	1.0	38.87	0.47	5.11	0.12	7,607
Belgium	63.71	5.7	67.34	1.2	68.15	2.3	69.72	0.85	9.84	0.23	7,085
Luxembourg	2.32	2.9	2.39	1.3	2.42	2.5	2.48	.	0.36	.	6,889
Netherlands	81.02	4.6	84.42	2.3	86.36	2.0	88.09	1.08	13.93	0.32	6,324
<u>In Oceania</u>	89.01	3.8	92.39	2.1	94.33	2.5	96.69	1.18	14.22	0.33	6,800
Australia	89.01	3.8	92.39	2.1	94.33	2.5	96.69	1.18	14.22	0.33	6,800
<u>In Asia</u>	619.93	6.0	657.13	5.2	687.96	5.8	727.86	8.90	115.00	2.66	6,329
Japan	619.93	6.0	657.13	5.2	687.96	5.8	727.86	8.90	115.00	2.66	6,329
<u>In OPEC</u>	82.07	12.9	92.70	4.7	97.10	4.0	100.94	1.23	11.48	0.27	8,793
Qatar	4.19	15.0	4.82	-12.0	4.30	15.0	4.94	.	0.23	.	22,000
Kuwait	13.53	6.5	14.41	-5.0	13.72	10.5	15.16	0.19	1.20	.	12,600
United Arab Emirates	6.68	14.0	7.62	8.0	8.23	-6.0	7.76	.	0.80	.	9,700
Saudi Arabia	43.45	8.0	46.93	15.0	53.97	1.0	54.51	0.67	6.50	0.15	8,400
Libya	14.22	12.0	15.92	6.0	16.88	10.0	18.57	0.23	2.75	.	6,750
<u>Others</u>	2.55	5.5	2.69	4.0	2.80	3.9	2.91	.	0.26	.	10,544

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<u>With a per capita GNP of</u> <u>\$3,821-\$5,730</u>	523.33	4.1	544.66	0.7	548.52	3.0	565.11	6.91	132.32	3.05	4,271
<u>In Western Europe</u>	490.91	4.3	511.90	0.7	515.57	3.0	531.23	6.50	125.02	2.89	4,249
Iceland	1.13	3.4	1.16	4.2	1.21	3.5	1.26	.	0.22	.	5,706
Austria	37.41	5.2	39.36	3.5	40.74	1.5	41.35	0.51	7.53	0.17	5,491
Finland	23.11	0.3	25.18	-0.5	23.07	3.0	23.76	0.29	4.75	0.11	5,002
United Kingdom	236.73	2.6	242.89	1.6	243.78	3.0	254.18	3.11	55.79	1.29	4,556
Italy	192.53	5.6	203.31	1.7	206.77	2.0	210.68	2.58	56.73	1.31	4,211
<u>In Oceania</u>	16.08	0.3	16.03	-1.8	15.84	0.8	15.97	0.20	3.12	0.07	5,119
New Zealand	16.08	0.3	16.03	-1.8	15.84	0.8	15.97	0.20	3.12	0.07	5,119
<u>In Asia</u>	14.91	2.3	15.25	2.4	15.62	4.9	16.38	0.20	3.87	0.09	4,233
Bahrain	1.26	11.0	1.40	6.6	1.49	4.0	1.55	.	0.30	.	5,167
Israel	13.65	1.5	13.85	2.0	14.13	5.0	14.83	0.18	3.57	0.08	4,154
<u>Others</u>	1.43	4.1	1.48	0.7	1.49	3.0	1.53	.	0.31	.	4,935
<u>With a per capita GNP of</u> <u>\$1,911-\$3,820</u>	254.54	6.5	270.96	4.5	283.18	2.8	291.12	3.56	113.05	2.59	2,575
<u>In Western Europe</u>	119.43	3.0	123.03	3.0	126.69	3.8	131.54	1.61	50.75	1.17	2,592
Ireland	8.86	3.2	9.14	5.5	9.64	6.5	10.27	.	3.22	0.07	3,189
Greece	20.85	5.9	22.08	3.7	22.90	5.5	24.16	0.30	9.38	0.22	2,576
Spain	88.19	2.1	90.04	2.4	92.20	3.0	95.00	1.16	37.11	0.86	2,560
Malta	0.54	17.0	0.64	9.0	0.69	9.0	0.75	.	0.34	.	2,225
Cyprus	0.99	14.6	1.13	11.0	1.26	8.5	1.36	.	0.70	.	1,954
<u>Chiefly in Latin America</u>	9.72	1.1	9.83	4.7	10.29	5.3	10.84	0.13	3.99	0.09	2,717
Puerto Rico and Outlying Territories of the US	9.72	1.1	9.83	4.7	10.29	5.3	10.84	0.13	3.99	0.09	2,717
<u>In Asia</u>	18.14	12.2	20.36	7.7	21.92	7.9	23.64	0.29	7.76	0.18	3,046
Singapore	6.11	7.3	6.56	8.0	7.08	8.1	7.65	0.09	2.33	.	3,285
Hong Kong	10.04	16.0	11.65	8.0	12.58	8.3	13.62	0.19	4.58	0.11	2,971
Oman	1.99	8.0	2.15	5.0	2.26	5.0	2.37	.	0.85	.	2,788
<u>In OPEC</u>	104.77	9.9	115.15	5.6	121.58	5.6	122.27	1.50	49.43	1.14	2,474
Gabon	2.03	10.0	2.23	0	2.23	-13.0	1.98	.	0.56	.	3,530
Venezuela	33.51	7.4	36.00	7.5	38.69	6.5	41.21	0.50	13.13	-13.0	3,139
Iran	69.23	11.1	76.92	2.8	80.66	-2.0	79.08	0.97	35.74	0.83	1,937
<u>Others</u>	2.48	4.5	2.59	4.3	2.70	4.7	2.83	.	1.12	.	2,527

Table 2. (Cont'd) PLANETARY PRODUCT WITHOUT THIRD WORLD SUPPLEMENT, 1975-78, BY COUNTRY
(Value data in 1978 dollars)

Country or Region	1975 GNP	1976 GNP	1976 GNP	1977 GNP	1977 GNP	1978 GNP	1978 GNP	Share in	Population	Share in	1978 GNP
	(billions)	Growth (in %)	(billions)	Growth (in %)	(billions)	Growth (in %)	(billions)	1978 Planetary Product	Mid-1978 (millions)	1978 World Population	per Capita (dollars)
<u>Non-Communist Less</u>											
<u>Developed Countries</u>	823.45	5.2	866.65	5.1	910.67	5.0	956.18	11.70	2,045.52	47.27	468
<u>With a per capita GNP of</u>											
<u>\$956-\$1,910</u>	440.51	5.4	464.21	5.2	488.12	4.9	511.98	6.26	404.32	9.34	1,266
<u>In Western Europe</u>	13.27	6.2	14.10	6.0	14.95	3.0	15.40	0.19	9.01	0.23	1,570
Portugal	13.27	6.2	14.10	6.0	14.95	3.0	15.40	0.19	9.01	0.23	1,570
<u>In OPEC</u>	31.76	10.3	35.04	8.0	37.85	8.0	40.89	0.50	30.80	0.71	1,328
Iraq	15.35	15.0	17.65	10.0	19.42	10.0	21.36	0.20	12.30	0.28	1,737
Algeria	16.41	6.0	17.39	6.0	18.43	6.0	19.53	0.24	18.50	0.43	1,056
<u>In Asia</u>	57.06	9.8	62.63	10.6	69.26	8.9	75.41	0.92	70.14	1.62	1,075
China, Rep. of (Taiwan)	17.41	11.7	19.45	7.9	21.00	8.8	22.84	0.28	17.10	.	1,336
Malaysia	10.73	11.3	11.94	8.0	12.90	8.0	13.93	0.17	12.94	.	1,077
Lebanon	4.30	-50.0	2.80	40.0	4.00	-25.0	3.20	.	3.10	.	1,030
Korea, Republic of	24.62	15.5	28.44	10.3	31.36	13.0	35.44	0.43	37.00	0.86	958
<u>In Oceania</u>	3.46	3.8	3.59	3.6	3.72	4.6	3.89	.	3.72	0.09	1,045
Fiji	0.73	2.6	0.75	2.1	0.77	2.7	0.79	.	0.60	.	1,313
Various Islands	2.73	4.0	2.84	4.0	2.95	4.0	3.10	.	3.12	.	994
<u>In Africa</u>	41.43	3.3	42.79	1.2	43.29	3.2	44.68	0.55	34.52	0.80	1,294
Djibouti	0.16	6.0	0.17	6.0	0.18	6.0	0.19	.	0.11	.	1,727
South Africa	35.65	2.7	36.54	0.5	36.72	2.7	37.73	0.43	27.50	0.64	1,372
Namibia	0.97	-1.0	0.96	1.0	0.97	1.0	0.98	.	0.90	.	1,090
Tunisia	4.65	10.0	5.12	6.0	5.42	6.5	5.78	.	6.01	.	961
<u>In Latin America</u>	293.53	4.3	306.06	4.2	319.05	4.0	331.71	4.06	255.33	5.90	1,299
Argentina	50.29	-2.9	48.88	4.7	51.17	-3.0	49.68	0.61	26.44	0.61	1,877
Trinidad and Tobago	1.67	6.2	1.85	7.7	1.98	6.0	2.10	.	1.32	.	1,588
Chile	14.02	5.5	14.60	8.6	15.85	6.0	16.80	0.21	10.69	.	1,572
Uruguay	4.06	2.6	4.16	3.4	4.30	3.0	4.43	.	2.87	.	1,543

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In Latin America (Cont'd)											
Suriname	0.66	0	0.66	2.0	0.67	2.0	0.68	.	0.45	.	1,519
Brazil	122.84	9.2	133.86	4.7	140.10	6.3	148.93	1.82	116.38	2.69	1,456
Panama	2.52	-0.3	2.51	0.9	2.53	4.0	2.64	.	1.82	.	1,449
Jamaica	3.23	-6.9	3.02	-4.0	2.90	0	2.90	.	2.13	.	1,363
Costa Rica	2.23	4.3	2.36	7.7	2.54	5.0	2.69	.	2.11	.	1,276
Mexico	69.17	1.7	70.32	3.2	72.57	5.0	76.20	0.93	66.44	1.53	1,147
Guatemala	5.42	7.5	5.82	8.3	6.30	5.0	6.62	.	6.63	.	998
Peru	15.95	2.8	16.49	0.3	16.54	-1.0	16.37	0.20	17.01	.	963
Others	1.47	4.4	1.53	4.5	1.60	4.1	1.67	.	1.04	.	1,600
<u>With a per capita GNP of</u> <u>\$479-\$955</u>	122.55	7.1	131.36	4.6	137.43	3.4	142.10	1.72	214.97	4.96	661
<u>In Asia</u>	1.50	15.0	1.73	10.0	1.90	10.0	2.09	.	2.97	.	704
Jordan	1.50	15.0	1.73	10.0	1.90	10.0	2.09	.	2.97	.	704
<u>In Europe (and Asia)</u>	28.78	8.5	31.23	4.0	32.48	2.7	33.36	0.41	43.18	1.00	772
Turkey	28.78	8.5	31.23	4.0	32.48	2.7	33.36	0.41	43.18	1.00	772
<u>In Latin America</u>	27.76	5.1	29.19	5.1	30.69	5.8	32.49	0.40	44.92	1.03	723
Nicaragua	2.01	6.2	2.12	6.1	2.25	-4.0	2.16	.	2.50	.	866
Dominican Republic	3.81	5.0	4.06	4.4	4.24	3.1	4.37	.	5.25	.	833
Colombia	15.60	7.0	16.32	4.8	17.10	7.5	18.38	0.22	25.70	0.59	715
El Salvador	2.69	4.7	2.80	5.2	2.94	5.0	3.09	.	4.39	.	705
Paraguay	1.43	7.5	1.54	11.4	1.72	9.5	1.89	.	2.77	.	680
Guyana	0.53	-13.0	0.56	-6.0	0.52	-1.0	0.52	.	0.82	.	624
Honduras	1.46	6.4	1.55	7.7	1.67	8.6	1.82	.	3.12	.	583
Others	0.23	4.4	0.24	4.5	0.25	4.1	0.26	.	0.37	.	706
<u>In OPEC (OAPEC)</u>	42.66	11.7	47.64	5.5	50.26	3.0	41.77	0.63	86.56	2.00	598
Syria	5.93	8.4	6.43	-1.0	6.34	0.5	6.37	.	8.37	.	761
Ecuador	4.27	9.8	4.69	6.4	4.99	6.4	5.30	.	7.81	.	678
Nigeria	32.46	12.5	36.52	6.6	38.93	3.0	40.10	0.49	70.38	1.63	570
<u>In Africa</u>	21.09	2.3	21.57	2.5	22.10	1.3	22.39	0.27	37.34	0.86	600
Mauritius	0.61	7.0	0.65	6.5	0.69	6.5	0.73	.	0.90	.	817
Ivory Coast	4.62	12.5	5.20	7.8	5.61	2.9	5.77	.	7.50	.	769
Liberia	0.93	3.1	0.96	3.0	0.99	3.0	1.01	.	1.54	.	660

Table 2. (Cont'd) PLANETARY PRODUCT WITHOUT THIRD WORLD SUPPLEMENT, 1975-78, BY COUNTRY
(Value data in 1978 dollars)

Country or Region	1975 GNP (billions)	1976 GNP Growth (in %)	1976 GNP (billions)	1977 GNP Growth (in %)	1977 GNP (billions)	1978 GNP Growth (in %)	1978 GNP (billions)	Share in 1978 Planetary Product	Population Mid-1978 (millions)	Share in 1978 World Population	1978 GNP per Capita (dollars)
<u>In Africa (Cont'd)</u>											
Swaziland	0.28	11.0	0.32	4.5	0.33	4.5	0.34	.	0.54	.	634
Morocco	9.88	1.2	10.00	2.0	10.20	2.0	10.40	0.13	19.47	0.45	534
Congo, People's Rep. of	0.67	1.0	0.68	1.0	0.69	3.0	0.71	.	1.42	.	500
Angola	3.87	-10.0	3.52	-5.0	3.35	-5.0	3.19	.	6.05	.	527
Others	0.24	2.0	0.24	2.0	0.24	1.0	0.24	.	0.46	.	526
<u>With a per capita GNP of \$478 and less</u>	261.85	4.1	272.63	5.2	286.79	6.2	303.92	3.72	1,429.35	33.03	213
<u>In Asia</u>											
Philippines	18.19	6.7	19.42	6.1	20.51	6.5	21.85	0.27	46.02	1.06	475
Thailand	17.35	5.7	18.34	6.0	19.44	6.0	20.61	0.25	45.23	1.05	433
Yemen, People's Democratic Republic	0.53	6.0	0.57	6.0	0.60	6.0	0.64	.	1.85	.	344
Yemen, Arab Republic	1.58	4.0	1.64	5.0	1.73	5.0	1.81	.	5.62	.	322
Sri Lanka	3.11	3.0	3.20	4.4	3.35	3.0	3.45	.	14.24	0.33	242
Pakistan	14.31	4.9	15.01	2.8	15.43	7.0	16.51	.	75.60	1.75	218
India	90.85	1.6	92.30	6.0	97.84	7.2	105.08	1.28	660.70	15.27	159
Burma	4.03	4.5	4.21	2.5	4.32	6.0	4.57	.	32.20	0.74	142
Afghanistan	2.32	2.7	2.39	2.5	2.45	3.0	2.51	.	20.67	0.48	122
Nepal	1.44	3.0	1.48	0.7	1.49	1.9	1.52	.	13.10	0.30	116
Bangladesh	7.10	13.3	7.83	1.7	7.96	8.0	8.60	.	82.90	1.92	104
Bhutan	1.0		1.1		1.1		1.12	.	1.26	.	90
Maldives	0.01		0.01		0.01		0.01	.	0.12	.	85
<u>In OPEC (OAPEC)</u>											
Egypt	12.48	11.3	13.89	8.3	15.04	7.0	16.09		40.82	0.94	394
Indonesia	37.00	8.6	40.18	7.5	43.19	7.0	46.21	0.56	140.66	3.25	329
<u>In Africa</u>											
Zambia	2.42	0.9	2.44	2.5	2.50	1.0	2.52	0.03	5.36	.	470
Rhodesia	3.52	-2.4	3.44	-6.9	3.22	-6.0	3.04	0.04	6.73	.	452
Cameroon	2.48	3.0	2.55	4.0	2.65	5.0	2.78	0.03	6.81	.	409

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In Africa (Cont'd)

Ghana	4.55	-3.0	4.42	-1.0	4.37	0	4.37	0.05	10.94	0.25	400
Senegal	2.01	-2.3	1.96	4.5	2.05	-5.0	1.95	.	5.42	.	360
Botswana	0.09	10.0	0.21	10.0	0.23	5.0	0.25	.	0.73	.	337
Sudan	4.89	5.5	5.16	5.5	5.44	4.0	5.66	0.07	16.95	0.39	334
Togo	0.64	10.0	0.70	7.0	0.75	5.0	0.79	.	2.41	.	328
Equatorial Guinea	0.10		0.10		0.10		0.10	.	0.32	.	312
Kenya	3.28	5.0	3.44	4.5	3.59	4.5	3.75	0.05	15.30	0.35	245
Madagascar	2.04	0.5	2.05	2.8	2.10	2.8	2.16	.	9.72	.	227
Sierra Leone	0.69	-1.0	0.68	1.0	0.69	3.3	0.71	.	3.20	.	222
Mauritania	0.31	8.9	0.33	-0.7	0.33	0	0.33	.	1.56	.	213
The Gambia	0.11	0	0.11	0	0.11	-1.0	0.11	.	1.99	.	196
Central African Empire	0.34	3.0	0.35	3.0	0.36	2.0	0.37	.	1.91	.	194
Guinea	0.69	11.0	0.77	5.0	0.80	5.0	0.85	.	4.77	.	178
Rwanda	0.62	7.0	0.67	7.0	0.71	6.5	0.76	.	4.38	.	174
Tanzania	2.49	5.0	2.62	3.9	2.72	3.5	2.82	0.03	16.59	0.38	170
Uganda	2.02	-0.4	2.02	4.0	2.10	1.2	2.12	.	12.76	.	167
Malawi	0.76	7.0	0.82	5.7	0.86	5.7	0.91	.	5.73	.	159
Mozambique	2.08	-25.0	1.66	-5.0	1.58	-5.0	1.50	.	9.85	.	153
Zaire	3.68	-1.4	3.63	1.5	3.68	1.5	3.73	0.05	27.78	0.64	134
Benin	0.45	-3.0	0.44	8.0	0.48	4.0	0.50	.	3.38	.	133
Niger	0.48	18.7	0.57	4.0	0.59	7.0	0.64	.	4.99	.	127
Burundi	0.42	7.8	0.45	5.8	0.47	4.5	0.49	.	4.08	.	122
Lesotho	0.30		0.31	6.0	0.33	7.0	0.35	.	1.30	.	117
Ethiopia	3.24	2.0	3.30	1.0	3.33	1.0	3.36	0.04	29.40	0.68	114
Upper Volta	0.65	5.8	0.69	2.2	0.70	5.8	0.74	.	6.52	.	114
Mali	0.46	9.0	0.50	7.4	0.53	0.7	0.54	.	6.14	.	87
Chad	0.45	-22.0	0.37	-0.7	0.37	-0.9	0.37	.	4.29	.	86
Somalia	0.25	0	0.25	-2.3	0.26	0	0.26	.	3.66	.	70
Others	0.23	1.6	0.23	3.3	0.24	2.6	0.25	.	1.04	.	238
<u>In Latin America</u>	3.39	5.6	3.58	4.5	3.74	4.0	3.89	0.05	11.21	0.26	347
Bolivia	2.33	7.0	2.48	4.8	2.60	4.0	2.71	.	6.10	.	444
Haiti	0.95	4.7	0.99	2.5	1.02	3.6	1.06	.	4.83	.	219
Others	0.11	4.4	0.11	4.5	0.12	4.1	0.12	.	0.28	.	446
<u>In Oceania</u>	0.32	.	0.34	.	0.35	.	0.37	.	1.14	0.03	325
Various Islands	0.32	.	0.34	.	0.35	.	0.37	.	1.14	.	325

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Table 2. (Cont'd) PLANETARY PRODUCT WITHOUT THIRD WORLD SUPPLEMENT, 1975-78, BY COUNTRY
(Value data in 1978 dollars)

Country or Region	1975 GNP	1976 GNP	1976 GNP	1977 GNP	1977 GNP	1978 GNP	1978 GNP	Share in	Population	Share in	1978 GNP
	(billions)	Growth (in %)	(billions)	Growth (in %)	(billions)	Growth (in %)	(billions)	1978 Planetary Product	Mid-1978 (millions)	1978 World Population	per Capita (dollars)
<u>Communist Countries</u>	1,648.37	3.5	1,705.74	3.9	1,772.54	4.1	1,845.34 ✓	22.58	1,490.97	34.45	1,238
<u>Developed Communist Countries</u>	1,333.52	4.3	1,390.23	3.5	1,439.06	3.3	1,486.94	18.20	391.70	9.05	3,796
<u>With a per capita GNP of \$3,821 or more</u>	1,079.04	4.0	1,122.42	3.5	1,161.64	3.2	1,198.37	14.67	293.30	6.78	4,086
German Democratic Rep.	73.85	2.2	75.45	4.0	78.44	3.3	81.01	1.00	16.80	0.39	4,834
Czechoslovakia	64.79	2.1	66.13	4.3	69.01	2.5	70.72	0.86	15.10	0.35	4,673
USSR	940.40	4.3	980.84	3.4	1,014.19	3.2	1,046.64	12.81	261.40	6.04	4,004
<u>With a per capita GNP of \$1,911-\$3,820</u>	254.58	5.2	267.81	3.4	277.42	4.0	288.57	3.53	98.40	2.27	2,933
Romania	56.14	11.7	62.70	3.2	64.71	4.2	67.45	0.83	21.90	0.51	3,083
Poland	98.58	4.1	102.66	2.8	105.50	2.7	108.34	1.33	35.00	0.81	3,094
Hungary	29.79	-0.1	29.77	5.0	31.25	2.5	32.06	0.39	10.70	0.25	3,000
Bulgaria	22.81	4.1	23.75	-0.2	23.71	4.4	24.75	0.30	8.80	0.20	2,799
Yugoslavia	47.16	3.8	48.93	6.8	52.15	6.7	55.97	0.68	22.00	0.51	2,544
<u>Memorandum Items</u>											
Warsaw Pact	1,286.48	4.3	1,341.41	3.4	1,386.91	3.2	1,430.97	17.51	369.70	8.54	3,871
Six Smaller Pact Members	346.08	3.5	360.57	2.7	372.72	3.1	384.33	4.72	108.30	2.50	3,549
<u>Less Developed Communist Countries</u>	314.85	0.2	315.51	5.7	333.48	7.5	358.40	4.38	1,099.27	25.40	326
<u>With a per capita GNP of \$956 or more</u>	10.19	3.8	10.58	3.8	10.98	3.8	11.40	0.14	9.80	0.25	1,163
Cuba	10.19	3.8	10.58	3.8	10.98	3.8	11.40	0.14	9.80	0.25	1,163

Less Developed Communist
Countries (Cont'd)

<u>With a per capita GNP of \$479-\$955</u>	14.58	-1.7	14.33	0.5	14.40	6.4	15.32	0.19	22.47	0.52	682
Mongolia	1.03	5.0	1.09	2.0	1.11	3.0	1.14	.	1.58		720
Korea, Democratic People's Republic	11.96	-3.0	11.60	0	11.60	7.2	12.44	0.15	18.20	0.42	684
Albania	1.59	3.0	1.64	3.0	1.69	3.0	1.74	.	2.69		647
<u>With a per capita GNP of \$478 and less</u>	290.08	0.2	290.60	6.0	308.10	7.7	331.68	4.06	1,067.00	24.66	311
PRC	283.33	0	283.33	6.1	300.50	7.8	323.94	3.96	1,003.90	23.20	323
Vietnam	5.91	6.0	6.40	5.0	6.72	2.0	6.85	0.08	51.60	1.19	132
Laos	0.25	4.0	0.26	4.0	0.27	3.0	0.28	.	3.50		79
Kampuchea	0.60	.	0.61	.	0.61	.	0.61	.	8.00		76

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Table 3. SUMMARY OF PLANETARY PRODUCT WITH THIRD WORLD SUPPLEMENT, 1975-78
(Value data in 1978 dollars)

Area	GNP 1975 (billions)	1976 GNP		1977 GNP		1978 GNP		Share in 1978 Planetary Product		Share in 1978 World Population		1978 GNP per Capita (dollars)
		Growth (in %)	GNP 1976 (billions)	Growth (in %)	GNP 1977 (billions)	Growth (in %)	GNP 1978 (billions)	(%)	Mid-1978 (millions)	(in %)		
World	7,455.52	5.0	7,828.35	3.9	8,133.63	4.0	8,459.45	100.00	4,327.48	100.00		1,955
Developed	6,070.17	5.2	6,387.53	3.6	6,617.89	3.7	6,858.86	81.08	1,182.69	27.33		5,799
Less Developed	1,385.35	4.0	1,440.82	5.2	1,515.74	5.6	1,600.59	18.92	3,144.79	72.67		509
Non-Communist	5,797.69	5.4	6,112.89	3.9	6,351.11	4.0	6,603.73	78.06	2,836.51	65.55		2,328
Communist	1,657.83	3.5	1,715.46	3.9	1,782.52	4.1	1,855.72	21.94	1,490.97	34.45		1,245
<u>Developed Non-Communist Countries</u>	4,736.65	5.5	4,997.30	3.6	5,178.83	3.7	5,371.92	63.50	790.99	18.28		6,791
<u>Less Developed Non-Communist Countries</u>	1,061.04	5.1	1,115.59	5.1	1,172.28	5.1	1,231.81	14.56	2,045.52	47.27		602
<u>Developed Communist Countries</u>	1,333.52	4.3	1,390.23	3.5	1,439.06	3.3	1,486.94	17.58	391.70	9.05		3,796
<u>Less Developed Communist Countries</u>	324.31	0.3	325.23	5.6	343.46	7.4	368.78	4.36	1,099.27	25.40		336
<u>World by GNP Per Capita Groups</u>												
<u>Developed Countries</u>												
\$5,731 or more	3,958.78	5.6	4,181.68	4.0	4,347.13	3.9	4,515.69	53.38	545.62	12.61		8,276
Non-Communist	2,958.78	5.6	4,181.68	4.0	4,347.13	3.9	4,515.69	53.38	545.62	12.61		8,276
Communist	--	--	--	--	--	--	--	--	--	--		--
\$3,821-\$5,730	1,602.37	4.0	1,667.08	2.6	1,710.16	3.1	1,763.48	20.85	425.62	9.84		4,143
Non-Communist	523.33	4.1	544.66	0.7	548.52	3.0	565.11	6.68	132.32	3.06		4,271
Communist	1,079.04	4.0	1,122.42	3.5	1,161.64	3.2	1,198.37	14.17	293.30	6.78		4,086
\$1,911-\$3,820	509.02	5.8	538.77	4.1	560.60	3.4	579.69	6.85	211.45	4.89		2,741
Non-Communist	254.54	6.5	270.96	4.5	283.18	2.8	291.12	3.44	113.05	2.61		2,575
Communist	254.48	5.2	267.81	3.4	277.42	4.0	288.57	3.41	98.40	2.28		2,933
<u>Less Developed Countries</u>												
\$956-\$1,910	495.77	5.3	522.27	5.1	549.01	4.9	575.72	6.81	414.12	9.57		1,390
Non-Communist	484.56	5.4	510.63	5.2	536.93	4.9	563.18	6.66	404.32	9.34		1,393
Communist	11.21	3.8	11.64	3.8	12.08	3.8	12.54	0.15	9.80	0.23		1,280

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<u>Less Developed Countries (Cont'd)</u>											
\$479-\$955	176.37	6.2	187.38	4.2	195.21	3.6	202.28	2.39	234.32	5.41	863
Non-Communist	157.42	7.2	163.75	4.6	176.49	3.3	182.36	2.16	211.85	4.90	861
Communist	18.95	-1.7	18.63	0.5	18.72	6.4	19.92	0.23	22.47	0.51	887
\$478 and less	713.11	2.5	731.17	5.5	771.52	6.6	822.59	9.72	2,496.35	57.69	330
Non-Communist	418.96	4.1	436.21	5.2	458.86	6.2	486.27	5.75	1,429.35	33.03	341
Communist	294.15	0.3	294.96	6.0	312.66	7.6	336.32	3.97	1,067.00	24.66	315
<u>Important Countries or Groupings</u>											
US	1,828.60	5.7	1,932.80	4.9	2,027.50	3.9	2,106.90	24.90	218.55	5.05	9,639
OECD Total ^{a/}	4,551.06	5.3	4,791.59	3.6	4,962.05	3.8	5,152.38	60.91	764.70	17.67	6,738
of which: European OECD ^{a/}	1,822.64	4.7	1,908.30	2.0	1,946.49	3.2	2,009.68	23.76	390.19	9.02	5,151
European Community	1,445.86	5.0	1,518.27	2.1	1,550.77	3.1	1,598.68	18.90	259.55	6.00	6,159
NATO Total ^{a/}	3,542.28	5.5	3,735.78	3.6	3,872.11	3.6	4,013.16	47.44	565.15	13.06	7,101
of which: European NATO ^{a/}	1,538.88	5.1	1,618.04	2.3	1,654.68	3.3	1,709.98	20.21	322.98	7.46	5,294
USSR	940.40	4.3	980.84	3.4	1,014.19	3.2	1,046.64	12.37	261.40	6.04	4,004
Warsaw Pact Total	1,286.48	4.3	1,341.41	3.4	1,386.91	3.2	1,430.97	16.92	369.70	8.54	3,871
PRC	283.33	0	283.33	6.1	300.50	7.8	323.94	3.83	1,003.90	23.20	323
OPEC (OAPEC) Total	356.41	10.8	394.83	6.1	418.83	3.9	435.17	5.14	359.75	8.32	1,210
of which: Affluent	186.84	11.2	207.85	5.2	218.68	2.1	223.21	2.64	60.91	1.41	3,664
Indigent	169.57	10.3	186.98	7.0	200.15	5.9	211.96	2.50	298.84	6.91	709

^{a/} Includes Third World Supplements for Portugal and Turkey (see text).

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Table 4. PLANETARY PRODUCT WITH THIRD WORLD SUPPLEMENT 1978 BY CONTINENT
(in billions of 1978 dollars)

<u>Area</u>	<u>US and Canada^{a/}</u>	<u>Latin America</u>	<u>Europe</u>	<u>Asia</u>	<u>Africa</u>	<u>Oceania</u>	<u>Total</u>	<u>Share in Planetary Product</u>
Total	2,316.09	474.60	3,497.00	1,776.75	276.69	118.33	8,459.46	100.0
Developed Non-Communist World								
With Affluent OPEC Members	2,316.09	44.21	1,947.49	930.13	20.55	113.46	5,371.92	63.5
Affluent OPEC Members	--	41.21	--	161.45	20.55	--	223.21	2.6
Without OPEC	2,316.09	3.00	1,947.49	727.86	--	113.46	5,148.71	60.9
Less Developed Non-Communist World								
With OPEC (OAPEC) Members	--	417.85	60.31	492.64	256.14	4.87	1,231.81	14.6
Less Developed OPEC (OAPEC)	--	6.89	--	105.72	99.35	--	211.96	2.5
Without OPEC (OAPEC)	--	410.96	60.31	386.92	156.79	4.87	1,019.85	12.1
All OPEC (OAPEC) Members	--	48.10	--	267.17	119.90	--	435.17	5.1
Non-Communist World	2,316.09	462.06	2,007.80	1,422.77	276.69	118.33	6,603.73	78.1
Communist World	--	12.54	1,489.20	353.98	--	--	1,855.72	21.9
of which: Developed	--	--	1,486.94	--	--	--	1,486.94	17.6
Less Developed	--	12.54	2.26	353.98	--	--	368.78	4.3
Share of Continents in Total (%)	27.4	5.6	41.3	21.0	3.3	1.4	8,459.46	100.0

^{a/} Includes Puerto Rico and Outlying Territories of the US.

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Table 5. NUMBER OF INDEPENDENT STATES BY CONTINENT AND PER CAPITA GNP GROUP
(WITH THIRD WORLD SUPPLEMENT)

<u>Area</u>	<u>US, Canada, Bahamas</u>	<u>Latin America</u>	<u>Europe</u>	<u>Asia</u>	<u>Africa</u>	<u>Oceania</u>	<u>Total</u>
Total	3	27	35	37	49	10	161
<u>Non-Communist</u>	3	26	26	31	49	10	145
<u>Developed Non-Communist</u>	3	1	24	10	2	3	43
of which: \$5,731 or more	2	-	12	5	1	2	22
\$3,821-\$5,730	-	-	6	2	-	1	9
\$1,911-\$3,820	1	1	6	3	1	-	12
<u>Less Developed Non-Communist</u>	-	25	2	21	47	7	102
of which: \$956-\$1,910	-	13	1	5	4	1	24
\$479-\$955	-	7	1	2	10	3	22
\$478 or less	-	5	-	14	33	3	56
<u>Communist</u>	-	1	9	6	-	-	16
<u>Developed Communist</u>	-	-	8	-	-	-	8
of which: \$5,731 or more	-	-	-	-	-	-	-
\$3,821-\$5,731	-	-	3	-	-	-	3
\$1,911-\$3,820	-	-	5	-	-	-	5
<u>Less Developed Communist</u>	-	1	1	6	-	-	8
of which: \$956-\$1,910	-	1	-	-	-	-	1
\$479-\$955	-	-	1	2	-	-	3
\$478 or less	-	-	-	4	-	-	4

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Table 6. WORLD POPULATION IN MID-1978 BY CONTINENT
(in millions)

<u>Area</u>	<u>US and Canada^{a/}</u>	<u>Latin America</u>	<u>Europe</u>	<u>Asia</u>	<u>Africa</u>	<u>Oceania</u>	<u>Total</u>	<u>Share in World (%)</u>
World	246.44	340.08	785.62	2,491.83	441.31	22.20	4,327.48	100.0
Developed Non-Communist World								
With Affluent OPEC Members	246.44	14.13	338.24	171.10	3.74	17.34	790.99	18.3
Affluent OPEC Members Without OPEC	--	13.13	--	44.47	3.31	--	60.81	1.4
	246.44	1.00	338.24	126.63	0.43	17.34	730.08	16.9
Less Developed Non-Communist World								
With OPEC (OAPEC) Members	--	316.15	52.99	1,233.95	437.57	4.86	2,045.52	47.3
Less Developed OPEC (OAPEC)	--	7.81	--	161.33	129.70	--	298.84	6.9
Without OPEC (OAPEC)	--	308.34	52.99	1,072.62	307.87	4.86	1,746.68	40.4
All OPEC (OAPEC) Members	--	20.94	--	205.80	132.83	--	359.75	8.3
Non-Communist World	246.44	330.28	391.23	1,405.05	441.31	22.20	2,836.51	65.6
Communist World	--	9.80	394.39	1,086.78	--	--	1,490.97	34.4
of which: Developed	--	--	391.70	--	--	--	391.70	9.0
Less Developed	--	9.80	2.69	1,086.78	--	--	1,099.27	25.4
Share of Continents in Total (%)	5.7	7.8	18.2	57.6	10.2	0.5	4,327.48	100.0

^{a/} Includes Puerto Rico and Outlying Territories of the US and likewise Bermuda and the Bahamas.

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Table 7. PLANETARY PRODUCT WITH THIRD WORLD SUPPLEMENT IN SELECTED YEARS, 1950-78
(in billions of 1978 dollars)

	1950	1955	1960	1965	1970	1975	1976	1977	1978
World	2,366.71	3,017.77	3,747.96	4,824.58	6,164.09	7,455.52	7,828.35	8,133.63	8,459.45
Developed Countries	1,936.16	2,457.06	3,009.04	3,848.40	4,910.45	6,070.17	6,387.53	6,617.89	6,858.86
Less Developed Countries	430.55	560.71	738.92	976.18	1,253.64	1,385.35	1,440.83	1,515.74	1,600.59
Non-Communist Countries	1,897.93	2,373.60	2,897.83	3,762.31	4,817.69	5,797.69	6,112.89	6,351.11	6,603.73
Communist Countries	468.78	644.17	850.13	1,062.27	1,346.40	1,657.83	1,715.46	1,782.52	1,855.72
Developed Non-Communist Countries	1,584.58	1,973.89	2,370.91	3,058.79	3,905.76	4,736.65	4,997.30	5,178.83	5,371.92
United States	811.40	995.89	1,120.60	1,408.20	1,635.42	1,828.60	1,932.80	2,027.50	2,106.90
Developed Western Europe	597.00	735.30	919.32	1,168.26	1,532.15	1,770.63	1,852.19	1,887.82	1,944.47
of which: Germany, Fed. Rep.	123.67	193.79	263.17	333.96	416.11	457.97	483.62	496.19	513.06
France	113.58	140.05	180.10	238.81	304.87	367.16	387.72	399.35	411.33
UK	126.06	144.28	163.94	191.98	215.36	236.73	242.89	243.78	254.18
Italy	57.08	76.26	99.90	128.27	171.24	192.53	203.31	206.77	210.68
Canada	51.73	67.93	82.38	108.30	136.79	174.80	184.95	189.93	196.58
Australia	28.80	34.56	44.89	56.61	73.53	89.01	92.39	94.33	96.69
New Zealand	n.a.	6.77	9.11	11.59	13.27	16.08	16.03	15.84	15.97
Japan	73.81	113.90	171.14	275.54	475.93	619.93	657.13	687.96	727.86
Less Developed Non-Communist Countries	313.35	399.71	526.92	703.52	911.93	1,061.04	1,115.59	1,172.28	1,231.81
of which: India	63.20	74.82	91.23	105.23	133.18	145.36	147.68	156.54	168.13
Brazil	19.32	26.83	37.33	55.81	80.77	135.12	147.25	154.11	163.82
Communist Countries	468.78	644.17	850.13	1,062.27	1,346.40	1,657.83	1,715.46	1,782.52	1,855.72
Developed Communist Countries	351.58	483.17	638.13	789.61	1,004.69	1,333.52	1,390.23	1,439.06	1,486.94
of which: USSR	269.68	357.60	479.31	608.91	790.17	940.40	980.84	1,014.19	1,046.64
Less Developed Communist Countries	117.20	161.00	212.00	272.66	341.71	324.31	325.23	343.46	368.78
of which: PRC	70.10	117.20	138.90	169.60	217.00	283.33	283.33	300.50	323.94
<u>Memorandum Items</u>									
NATO Total	1,367.95	1,724.99	2,025.14	2,573.95	3,119.63	3,542.28	3,735.78	3,872.11	4,013.16
NATO in Europe	512.19	666.36	835.62	1,066.25	1,345.61	1,538.88	1,618.04	1,654.68	1,709.98
Warsaw Pact	380.08	500.56	666.22	835.57	1,063.51	1,286.48	1,341.41	1,386.91	1,430.97
Six Pact Members in Eastern Europe	110.40	142.96	186.91	226.66	273.34	346.08	360.57	372.72	384.66
All OPEC (OAPEC) Members						356.41	394.83	418.83	435.17

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Table 8. AVERAGE ANNUAL GNP GROWTH RATES BY AREA OR COUNTRY, 1950-78
(in percent)

	<u>1951-55</u>	<u>1956-60</u>	<u>1961-65</u>	<u>1966-70</u>	<u>1971-75</u>	<u>1976-78</u>
World	5.0	4.5	5.2	5.0	3.9	4.3
Developed	4.9	4.2	5.0	5.0	4.3	4.2
Less Developed	5.4	5.7	5.7	5.1	2.0	4.9
Non-Communist	4.6	4.1	5.4	5.1	3.6	4.5
Communist	6.6	5.7	4.6	4.8	4.3	3.8
Developed Non-Communist	4.6	3.7	5.2	5.0	4.0	4.3
United States	4.2	2.4	4.7	3.0	2.3	4.9
Canada	5.6	3.9	5.6	4.8	5.0	4.0
Australia	3.8	5.4	4.8	5.4	3.9	2.8
New Zealand	n.a.	6.1	4.9	2.8	3.9	-0.2
Japan	9.1	8.5	10.0	11.6	5.5	5.5
Developed Western Europe	4.3	4.6	4.9	5.6	3.0	3.2
of which: Germany, Fed. Rep.	9.4	6.3	4.9	4.5	2.0	3.9
France	4.3	5.2	5.8	5.0	3.8	3.9
UK	2.7	2.6	3.2	2.4	1.9	2.4
Italy	6.5	5.6	5.1	6.0	2.4	3.1
Less Developed Non-Communist	5.0	5.7	6.0	5.3	3.1	5.1
of which: India	3.4	4.0	2.9	4.8	1.8	5.0
Brazil	6.8	6.8	8.4	7.7	10.8	6.6
Communist Countries	6.6	5.7	4.6	4.8	4.3	3.8
of which: USSR	5.8	6.0	4.9	5.4	3.5	3.6
Six Pact Members in						
Eastern Europe	5.3	5.5	3.9	3.8	4.8	3.6
PRC	10.8	3.5	4.1	5.1	5.5	4.6
<u>Memorandum Items</u>						
NATO Total	4.8	3.3	4.9	3.9	2.6	4.3
NATO in Europe	5.4	4.6	5.0	4.8	2.7	3.6
Warsaw Pact	5.7	5.9	4.6	4.9	3.9	3.6
OECD Total	4.8	3.3	5.2	4.6	3.1	4.2
OECD Europe	5.1	4.4	5.0	4.7	2.9	3.3

Table 9. POPULATION AND GNP PER CAPITA, SELECTED YEARS 1950-1978

Area or Country	Mid-Year Population (in millions)					Per Capita GNP With Third World Supplement (in 1978 dollars)				
	1950	1960	1970	1975	1978	1950	1960	1970	1975	1978
World	2,520.90	3,057.85	3,704.58	4,089.86	4,327.48	939	1,226	1,664	1,823	1,955
Developed	751.51	856.38	986.52	1,087.90	1,182.69	2,576	3,514	4,978	5,580	5,799
Less Developed	1,769.39	2,201.47	2,718.06	3,001.96	3,144.79	243	336	461	461	509
Non-Communist	1,664.30	2,009.11	2,443.55	2,680.48	2,836.51	1,140	1,442	1,972	2,163	2,328
Communist	856.60	1,048.75	1,261.03	1,409.38	1,490.47	547	811	1,068	1,176	1,245
Developed Non-Communist	506.49	571.61	668.35	705.98	790.00	3,129	4,148	5,844	6,709	6,791
United States	152.27	180.67	204.88	213.56	218.55	5,329	6,202	7,982	8,562	9,639
Developed Western Europe	241.73	260.62	315.85	334.46	338.24	2,470	3,527	4,851	5,294	5,749
of which: Germany, Fed. Rep. of	49.99	55.42	60.71	61.83	61.28	2,474	4,749	6,854	7,407	8,372
France	41.74	45.68	50.67	52.71	53.29	2,721	3,943	5,721	6,966	7,719
UK	50.62	52.56	55.48	56.04	55.79	2,490	3,119	3,882	4,224	4,556
Italy	46.77	50.22	53.57	55.83	56.73	1,220	1,989	3,200	3,449	4,211
Canada	13.71	17.87	21.30	22.73	23.62	3,773	4,610	6,422	7,690	8,323
Australia	8.22	10.32	12.55	13.63	14.22	3,504	4,350	5,859	6,530	6,800
New Zealand	1.91	2.37	2.82	3.09	3.12	n.a.	3,844	4,706	5,204	5,167
Japan	83.63	94.10	104.33	111.52	115.00	883	1,819	4,562	5,559	6,329
Less Developed Non-Communist	1,157.81	1,437.50	1,775.20	1,974.50	2,045.52	271	366	514	537	602
of which: India	381.00	445.80	553.60	618.50	660.70	166	205	241	236	254
Brazil	52.30	69.72	92.52	106.23	116.38	369	535	873	1,272	1,602
Communist Countries	856.60	1,048.74	1,261.03	1,409.38	1,490.97	547	811	1,068	1,112	1,245
Developed Communist Countries	245.02	284.77	318.17	381.92	391.70	1,435	2,241	3,158	3,404	3,796
of which: USSR	180.08	214.33	243.73	254.39	261.40	1,498	2,236	3,242	3,697	4,004
Six Pact Members	88.50	96.71	103.32	106.18	108.30	1,247	1,933	2,646	3,258	3,549
Less Developed Communist Countries	611.58	763.97	942.86	1,027.46	1,099.27	192	310	362	316	336
of which: PRC	547.00	683.10	846.60	943.00	1,003.90	128	203	256	300	323
<u>Memorandum Items</u>										
NATO Total	419.00	477.00	532.00	553.05	565.15	3,265	4,246	5,864	6,405	7,101
NATO in Europe	243.00	278.00	305.80	316.59	322.98	2,108	3,006	4,400	4,861	5,294
Warsaw Pact	268.58	311.04	347.05	360.57	369.70	1,415	2,142	3,064	3,568	3,871

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Table 10. RANKING OF NATIONS, 1978
(GNP Data Without Third World Supplement)

	<u>GNP in toto</u> (billion 1978 dollars)		<u>GNP per capita</u> (1978 dollars)		<u>Population</u> <u>mid-1978</u> (million)
United States	2,106.9	Qatar	22,000	PRC (excl. Taiwan)	1,003.9
USSR	1,046.6	Kuwait	12,600	India	660.9
Japan	727.9	Liechtenstein	10,400		
Germany, Federal Rep.	513.1	Brunei	10,000	USSR	261.4
France	411.3	United Arab Emirates	9,700	US	218.6
PRC (excl. Taiwan)	324.0			Indonesia	140.7
UK	254.2	US	9,640	Japan	115.0
Italy	210.7	Sweden	8,894	Brazil	116.4
Canada	196.6	Switzerland	8,651		
Brazil	148.9	Saudi Arabia	8,400	Bangladesh	82.9
Poland	108.3	Germany, Federal Rep.	8,372	Pakistan	75.6
India	105.1	Canada	8,323	Nigeria	70.4
		Norway	7,867	Mexico	66.4
Australia	96.7	France	7,719	Germany, Federal Rep.	61.3
Spain	95.0	Denmark	7,607	Italy	56.7
Netherlands	88.1	Belgium	7,085	UK	55.8
Germany, Democratic Rep.	81.0	Luxembourg	6,889	France	53.3
Iran	79.1	Australia	6,800	Vietnam	51.6
Mexico	76.2	Libya	6,750		
Sweden	73.7	Japan	6,329	Philippines	46.0
Czechoslovakia	70.7	Netherlands	6,324	Thailand	45.2
Belgium	69.7	Iceland	5,706	Turkey	41.8
Romania	67.4	Austria	5,491	Egypt	40.8
Yugoslavia	55.6	Bahrain	5,167	Spain	37.1
Switzerland	54.6	New Zealand	5,119	Korea, Republic of	37.0
Saudi Arabia	54.5	Finland	5,002	Iran	35.7
Argentina	49.7	New Caledonia	5,000	Poland	35.0
Indonesia	46.2			Burma	32.2
Austria	41.3	Germany, Democratic Rep.	4,834	Ethiopia	29.4
Venezuela	41.2	Czechoslovakia	4,673	Zaire	27.8
Nigeria	40.1	UK	4,556	South Africa	27.5
Turkey	33.4	Italy	4,211	Argentina	26.4
Bulgaria	32.5	Israel	4,154	Colombia	25.7
		USSR	4,004	Canada	23.6
				Yugoslavia	22.0

CHART I

REAL GROWTH RATES 1973-1978 BY AREA IN PERCENT

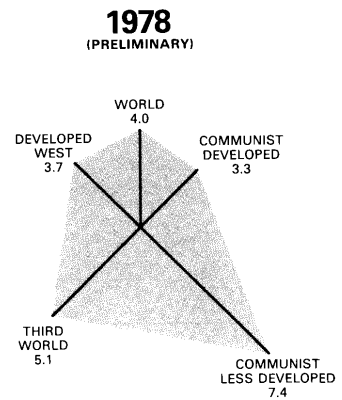
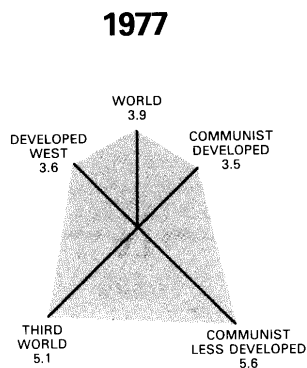
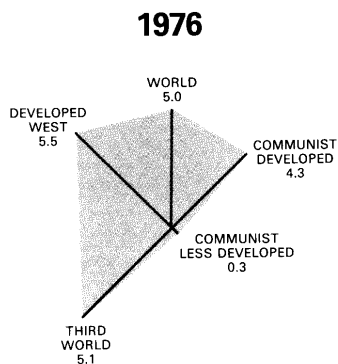
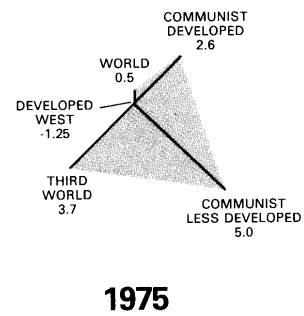
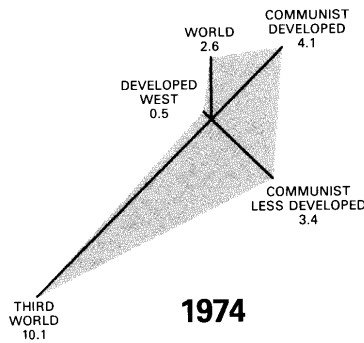
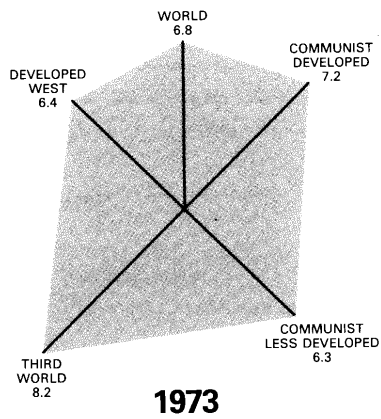


CHART II
**SHARE OF IMPORTANT AREAS
IN 1978 WORLD POPULATION AND WORLD OUTPUT**

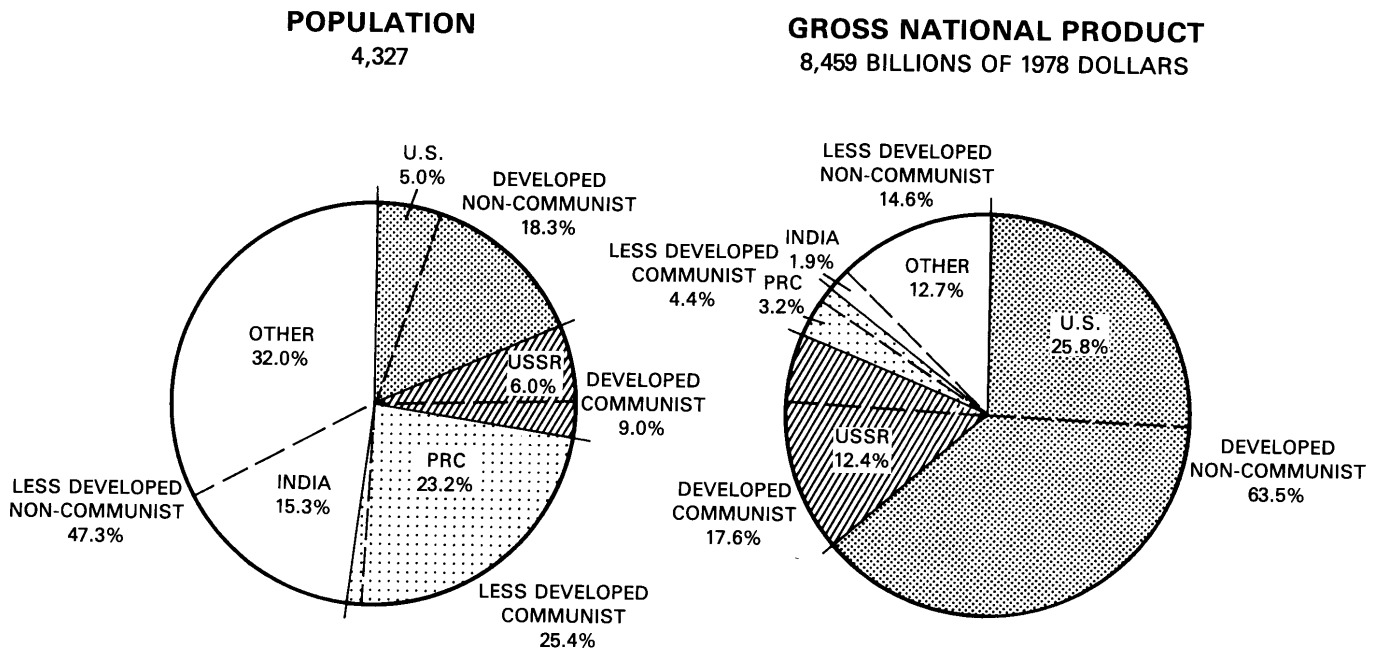


CHART III

PLANETARY INCOME DISTRIBUTION BY NATIONAL INCOME BRACKET

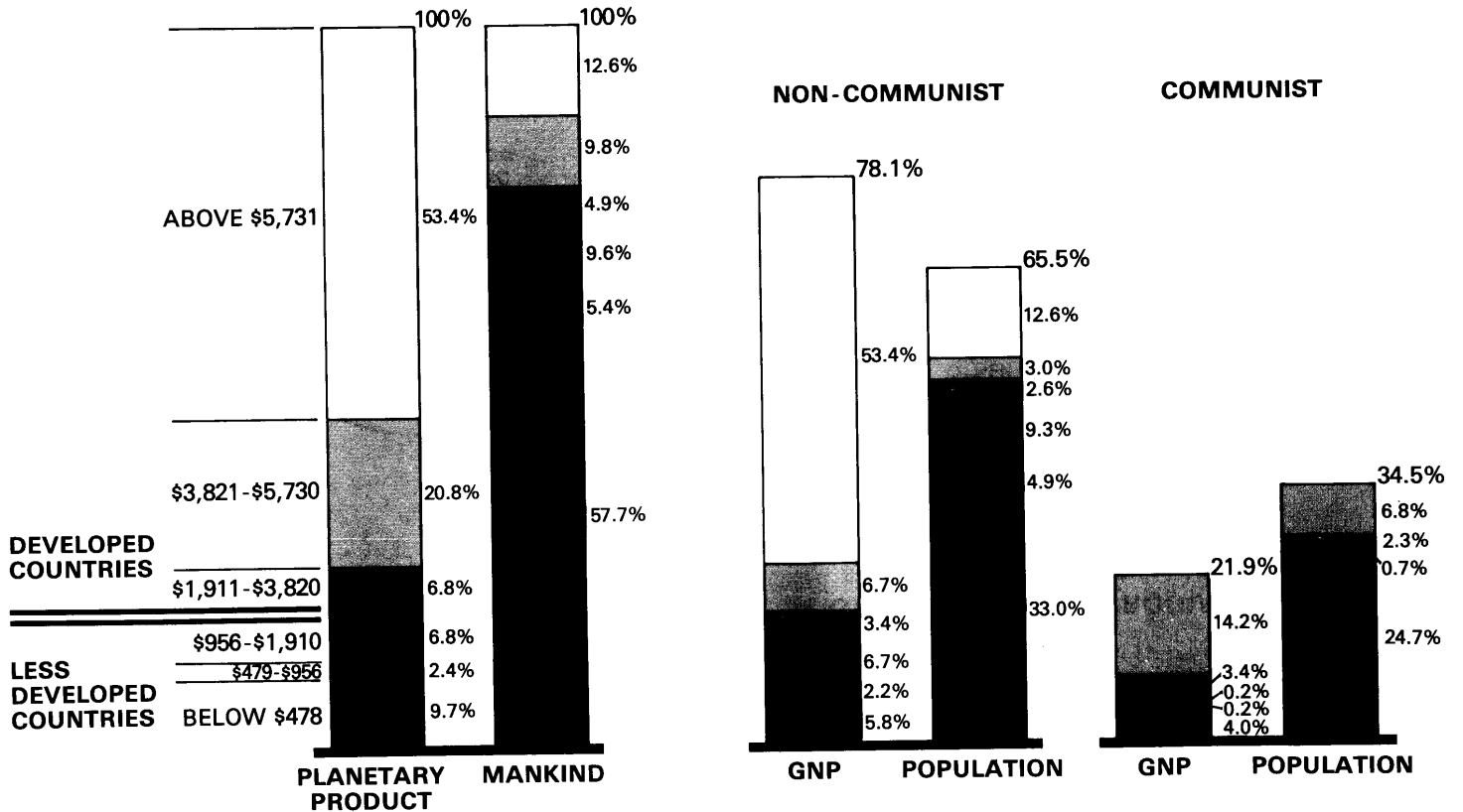


CHART IV
REAL GROWTH OF GNP AND INFLATION
 1964-1978

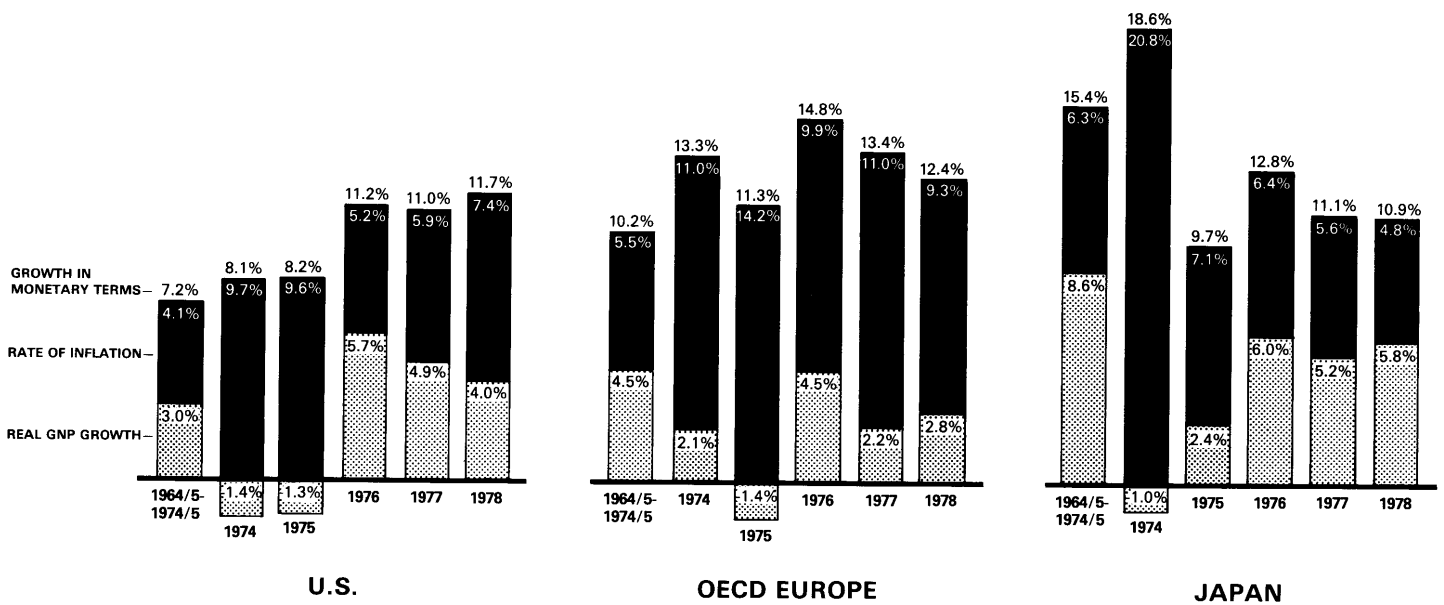
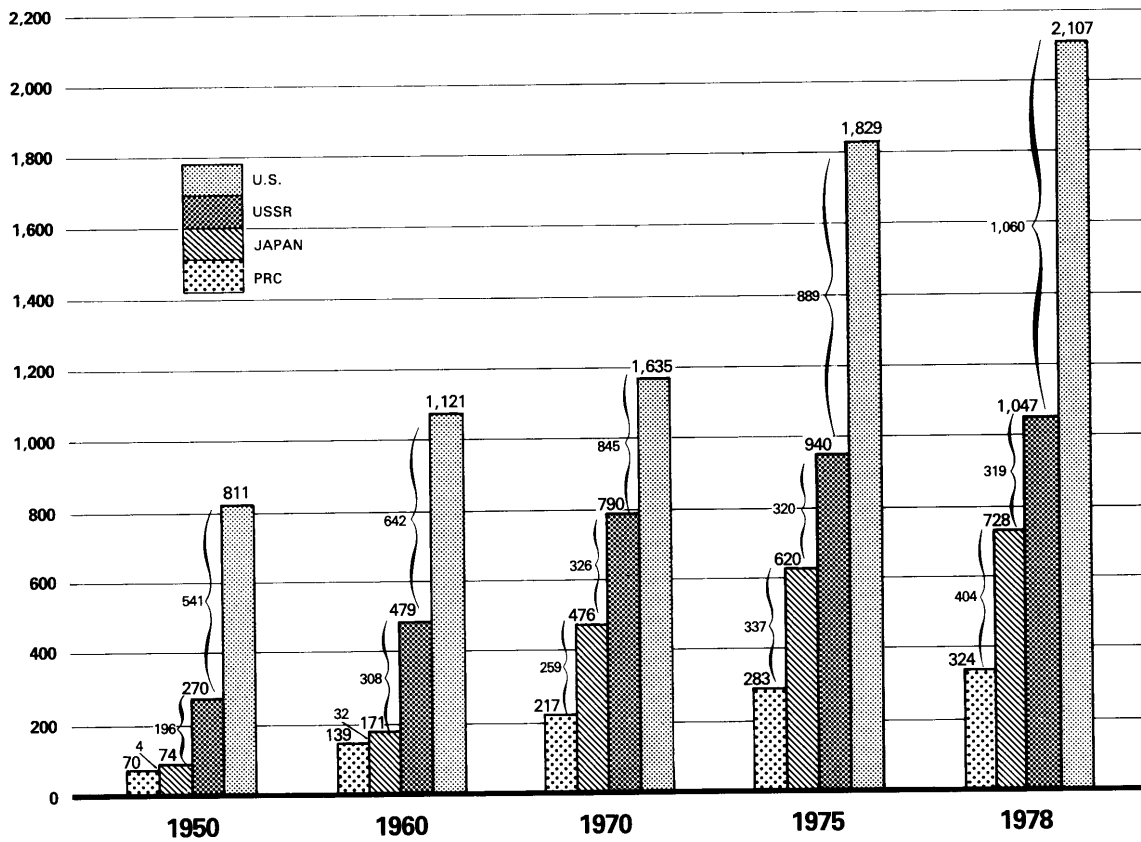


CHART V

U.S., SOVIET, JAPANESE AND PRC GROSS NATIONAL PRODUCT
BILLIONS OF 1978 DOLLARS



Previous issues of the *Planetary Product* for 1973, 1974, 1975, and 1976-77 were released by Special Report No. 11, No. 22, No. 33, and No. 44.

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