The CED also points out that, should the rate of growth in GNP continue at 3 percent, by 1975 the GNP would rise to $725 billion in 1956 prices; at that time, if the share of GNP absorbed by Government does not change, American families would have an average income of $7,000 available for spending and savings after taxes as compared with $5,300 in 1956.[5]

The Rockefeller report brings out dramatically the difference between the rise of GNP under differing assumptions of growth. In 10 years a 3-percent rate of growth would yield a GNP of $83 billion in 1967 as compared with $434 billion in 1957 (in 1957 dollars). But a 4-percent growth rate which had been achieved over the 10 years, 1947–57, would yield $642 billion by 1967 and, at an accelerated rate of 5 percent which the Rockefeller report considers as possible, the product would be $707 billion. Note the difference of $124 billion of annual product obtained from a 5-percent growth as against a 3-percent.[6]

Perhaps the most potent reason for a high rate growth of GNP is our struggle with communism. Mr. Allen Dulles made this clear at the 46th annual meeting of the U.S. Chamber of Commerce as follows:

> Whereas Soviet GNP was about 33 percent of the United States in 1950, by 1956 it had increased to about 40 percent, and by 1962 it may be about 50 percent of our own. This means that the Soviet economy has been growing, and is expected to continue to grow through 1962 at a rate roughly twice that of the economy of the United States.

This indicates a rate of growth of about 9 percent for the Soviet Union. At this rate of growth, it would not be very long before the Soviet's GNP would be as large as ours. This is on the assumption that our GNP does not rise much more than 2 percent a year, a rate of growth in some recent years but less than we are likely to achieve. Moreover, a given GNP yields much more in security outlays to the Soviet than to this country. For example, they devote only about one-half as much of their GNP for services relatively as this country does, roughly 25 percent as against 50 percent by the United States. Hence, they can, for this and other reasons, divert resource to security much more easily than this country can.

According to an official Soviet report, the Soviet Union's annual rise of industrial production averaged 11.5 percent from 1928 to 1955; according to Hodgman's study, 9.2 percent; according to the Joint Economic Committee staff, 7.7 percent. The corresponding production rise in the United States was 3.6 percent from 1928 to 1955; and from 1867 to 1907 when the U.S. economy was roughly at the stage of development as the Russian from 1928 to 1955, our growth was 5.2 percent per year.[7]

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[5] CED: "Economic Growth in the United States, Its Past and Future," February 1958, pp. 15, 36.

[6] The Rockefeller Report on the U.S. Economy, "The Challenge to America: Its Economic and Social Aspects," 1958, p. 66.

[7] "Soviet Economic Growth: A Comparison With United States," a study for the Joint Economic Committee by the Legislative Reference Service of the Library of Congress, 1957, p. 24.