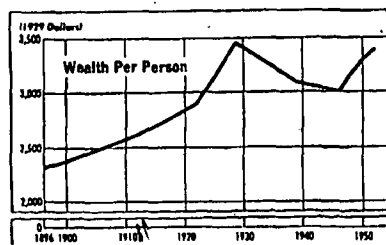


earlier periods. Indeed, in 1946 our total national wealth was actually less than it was in 1929. Only in the last six years have we been able to make any consistent additions.

Even these gains are less impressive when the growth in our population is taken into account, as illustrated by the following chart.



This chart makes it clear that when the nation's wealth is divided by the population, we are slightly worse off per person today than we were in 1929. This is the case in spite of the large additions to our national wealth since 1946.

Depression and war are the two principal reasons we have made no progress in increasing our wealth per person since the 1920s. The depression brought mass unemployment and greatly reduced production which ruled out any increase in wealth. During World War II and again during the post-Korean mobilization program, U.S. production has reached new peaks. But a considerable portion of this record breaking output has been in the form of military equipment, which is not included in an accounting of national wealth. Consequently, we have been unable to regain the level of wealth per person which we had in 1929.

A Brake of Prosperity

What does this failure to raise our wealth per person mean? It means that we have fewer

resources with which to create income for each individual. It means that we have made little progress in the crucial task of assuring future increases in prosperity.

As the second editorial in this series demonstrated, we have gone so far in equalizing individual incomes that "the possibilities of increasing the income of the rest of the people by 'soaking the rich' have largely disappeared." From now on the only promising way to increase our individual incomes is to increase our national earning power.

During the past four years it has taken about \$3.60 of national wealth to yield \$1 of income after taxes. This is a low figure for the wealth needed. Prior to World War II there were long periods when it took at least \$5 of national wealth to produce \$1 of national income. The experts in this field are by no means certain that it will not again take more than \$3.60 of wealth to increase income by \$1.

But let us assume that \$3.60 of wealth will suffice to provide \$1 of income in the years ahead. If by 1960—seven years from now—the income of the average American is to be increased from about \$1490, where it stands at present, to \$2000, we must add \$310 billion to the national wealth. This is nearly ten times as much as we have added to our wealth since the end of World War II, seven years ago.

Because we have made large additions to our productive equipment in recent years, fears are frequently expressed that we will soon be plagued by an excess of such equipment. But the facts about our national wealth do not support this conclusion. They indicate that we still have ahead of us a tremendous job of increasing our resources if the American standard of living is again to resume its steady climb which was interrupted by depression and war.

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