BUSINESS BOOMS and DEPRESSIONS since 1775

AN ACCURATE CHARTING OF THE PAST AND PRESENT TREND OF PRICE INFLATION, FEDERAL DEBT, BUSINESS, NATIONAL INCOME, STOCKS AND BOND YIELDS

with

A SPECIAL STUDY of POSTWAR PERIODS

TENSION ENVELOPE CORP.
confusion caused by reconversion and demobilization; stopping production for war and preparing peace-time—producing perhaps a 1942 model or a stop-gap product; building up the new selling squares which block out and highlight the trends that have followed our previous major wars.

First, the switch-back period—(Period of Uncertainty). This will involve some turmoil and general pattern of these reactions is outlined in this chart by the Red and Green measure, act as a partial guide to the future—at least avoid a hasty step into the unknown. The wisdom of Government action in the preceding periods.

BUSINESS BOOMS & DEPRESSIONS

POSTWAR PERIODS

The second phase, or go-ahead period—(Postwar Recovery). Here we begin to produce for urgent postwar demands. By taking these reactions as outlined in this chart we may sketch a picture of the probable heights of progress and accomplishment than ever achieved before, placing American products.

BUSINESS ACTIVITY

manufacturing, trade, government, and agriculture. A study of the reaction of business activity immediately following previous wars can, in a measure, visualize the magnitude of this war by comparing our National Income with that of our 1942 income and our anticipated during World War I in the years of '17, '18 and '19 with that of our 1942 income and our anticipated

NATIONAL INCOME

The impact of these vast amounts of money staggers the imagination. Our National Income rose from 13.7 billion dollars in 1941 to 35.2 billion dollars in the fourth quarter of 1942. Of this sum 13 billion dollars was paid in salaries and wages to Government agencies, which included our Armed Forces.

The spectacular rise in individual savings in 1942 is in keeping with our National Income. They represented 83 billion dollars. Of this sum 13 billion dollars was paid in salaries and wages to Government agencies, which included our Armed Forces. We can, in a measure, visualize the magnitude of this war by comparing our National Income with that of our 1942 income and our anticipated

PRICE INFLATION

The buying power of the dollar shrinks from 85c to 73c as compared to the 100-cent dollar of 1939. The slow slackens. A slight period of unemployment and depression may follow (as in 1921). This will be emphasized if speculative and inflationary forces lead to business excesses (as in 1919-20).

The most encouraging report thus far in the price inflation fight is that of the United States government. The buying power of the dollar shrinks from 85c to 73c as compared to the 100-cent dollar of 1939. The slow slackens. A slight period of unemployment and depression may follow (as in 1921). This will be emphasized if speculative and inflationary forces lead to business excesses (as in 1919-20). The most encouraging report thus far in the price inflation fight is that of the United States government.

BOND BALANCE

One of the weakest links in our stabilization program is that of price controls. When prices rise he notices it at once and it hurts. This follows with demands for higher wages which in turn automatically increase the necessary cost of this war is not important. Victory is worth the price.

FEDERAL DEBT

The Federal Debt (see red line on the chart) is now around the 150 billion dollar mark and will continue to increase each day, with a possible prospect of its reaching 300 billion dollars when the war is over. Congress has so far appropriated 338 billion dollars for war purposes. Such fabulous amounts in dollars have in a measure become meaningless. We can best realize...

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The demand for food has been increased by several factors: 1—Peak for city workers has dropped 0.8% on a nation-wide average between 40 and 50 billion dollars. The situation as a whole is one of...

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