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.
Peace-time—producing perhaps a 1942 model or a stop-gap product; building up the new selling
confusion caused by reconversion and demobilization; stopping production for war and preparing
individual concerns and we will experience the following stages:

First, a brief period of uncertainty; then a year or move of business recovery followed by a short
measure, act as a partial guide to the future—at least avoid a hasty step into the unknown. The
First, the switch-back period—(Period of Uncertainty). This will involve some turmoil and
By taking these reactions as outlined in this chart we may sketch a picture of the probable
Summing up a comparison of these postwar years we find that they cover a space of from eight
wisdom of Government action in the preceding periods.

The second phase, or go-ahead period—(Postwar Recovery). Here we begin to produce for
remains to be seen. Many factors involved in the present situation did not exist at the end of
be emphasized if speculative and inflationary forces lead to business excesses (as in 1919-20).
Fourth, the convalescent period—(Prosperity). Smooth sailing and strong business activity
and distributing organizations; preparing, producing, and introducing new products; meeting the
and standards of living on a world-wide basis.

imagination, and if properly directed and intelligently applied, could lead this nation on to greater
fear as the possible cause of such a depression is that fear itself. This war has shown men how
former wars. This war is conducted on a much broader scale with more intense and concentrated
rose from 13.7 billion dollars in 1941 to 35.2 billion dollars in the fourth quarter of 1942.
In 1919 our National Income totaled 70 billion dollars. In 1942, it was approximately 120 billion
of the cost-of-living dollar has been brought up
The demand for food has been increased by several factors: 1—Peak
4%

One of the weakest links in our stabilization program is that of price

The buying power

in prices and the long years of deflated prices that follow (See Com-
basic cost of food. These increased costs spur the farmer to ask still
or increase production. The conflict between the first and third problems

The most encouraging report thus far in the price inflation fight is

of intensive effort. Airplane and ship construction continue to expand.

in a measure become meaningless. We can best realize

debt, or in other words, the debt has reached, and in some areas passed, the

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yields at 3.2%, Municipals 2.2% and Governments around 2%. War

stock market. (See CHAIN LINE 1-1-1-1).

Steel production has been temporarily hampered by coal strikes. Electric

production work requires more food energy; 2—The needs of our


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away inflation after this war and a subsequent deflation or sudden drop

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buying power in history (a surplus of money to spend) estimated at

Source: Survey of Current Business.