think that is a fair recapitulation. Anyway, you have listened to it before.

Mr. MADDEN. First, I would personally, and I think the Chamber of Commerce for whom I speak, would institutionally welcome studies by the Joint Economic Committee of income distribution in the United States. I would refer you to a textbook written by the economic historian Douglass C. North. The title is "Growth and Welfare in the American Past."

Page 3, footnote 1, of this textbook points out that the economic growth effects throughout our history have dwarfed all of the income redistribution effects of all welfare programs in the history of the United States. From 1840 to 1940, the growth of real per capita income in the United States averaged 1.6 percent per year, which is a doubling rate of 43 years, and I would also refer you to "Modern Capitalism," by Andrew Schonfield, which analyzes the structure of capitalist countries here and abroad in the postwar period, and which points out that generally growth rates have been higher in these countries since World War II than before.

So I would welcome a study of income distribution, but I would urge you to consider this question in relationship to the power of growth to increased incomes broadly throughout the country, and I would urge you not to underestimate the power of economic growth to achieve the results which income distribution is normally thought of as attempting to achieve. Since income redistribution only involves dividing up the existing economic pie, and does not necessarily involve increasing the size of that pie, there is a real question, which more and more scholars are raising, whether economic growth is not a more intelligent way to go about achieving the distributional effects which the old socialist income redistribution idea of the 19th century concerned itself with.

Representative REUSS. May I comment at that point that I think everyone here at this table and at your table heartily agrees that dividing up a small piece of pie doesn't help anybody very much. That what you have got to get is a pie that grows.

Mr. MADDEN. Right.

Representative REUSS. Which we have been doing rather well.

Mr. MADDEN. Right.

Representative REUSS. The point that is raised, and on which you say you welcome studies by this committee, and I think we should make them, the point that is raised is whether you can keep this pie growing properly without seeing to it that the purchasing power grows in the proper ratio.

Mr. MADDEN. Right; and I certainly am in favor of seeing to it that that purchasing power does grow in the proper ratio.

Now turning to the first part of your question about too much plant and equipment spending, I do not think that any business economist denies the proposition that the rate of investment spending in the last 2 years was ultimately unsustainable, but if one looks at the postwar history of the United States again, as compared with the postwar history of the European countries, he finds that one of the reasons for our lagging growth in the 1950's was the very fact that we did not have sufficient plant and equipment spending, and this indeed was one of the bases for the tax cut of 1964 and for the investment tax credit of 1962.