

**Table 8: Accumulation of national wealth in rich countries, 1910-1950**

	National wealth-national income ratios		Decomposition of 1950 national wealth-national income ratio			
			Initial wealth effect	Cumulated new savings	Cumulated war destructions	Capital gains or losses
	$\beta$ (1910)	$\beta$ (1950)				
U.S.	469%	380%	132%	193%	0%	55%
Germany	637%	223%	400%	109% 31%	-120% 29%	-165% 40%
France	747%	261%	421%	144% 38%	-132% 27%	-172% 35%
U.K.	719%	208%	409%	75% 46%	-19% 4%	-256% 50%

Germany's national wealth-income ratio fell from 637% to 223% between 1910 and 1950. On the basis of Germany's 1910 wealth-income ratio and cumulated 1910-1950 saving, the wealth-income ratio should have been 400% + 109% = 509% in 1950. But Germany experienced the equivalent of -120% of national income in war destructions and -165% in capital losses, so that the 1950 wealth-income ratio was only 223%. Maintaining the 1910 wealth-income ratio would have required 637% - 509% = 128% of national income in additional cumulated saving over 1910-1950. 31% of the fall in the wealth-income ratio can thus be attributed to insufficient saving, 29% to war destructions, and 40% to real capital losses.