It would be enormously convenient to have a single, generally accepted index of the economic and social welfare of the people of the United States. A glance at it would tell us how much better or worse off we had become each year, and we would judge the desirability of any proposed action by asking whether it would raise or lower this index. Some recent discussion implies that such an index could be constructed. Articles in the popular press even criticize the Gross National Production because it is not such a complete index of welfare, ignoring, on the one hand, that it was never intended to be, and suggesting, on the other hand, that with appropriate changes it could be converted into one. The output available to satisfy our wants and needs is one important determinant of welfare. Whatever want, need, or social problem engages our attention, we ordinarily can more easily find resources to deal with it when output is large and growing than when it is not. GNP measures output fairly well, but to evaluate welfare we would need additional measures which would be far more difficult to construct. We would need an index of real costs incurred in production, because we are better off if we get the same output at less cost. Use of just manhours for welfare evaluation would unreasonably imply that to increase total hours by raising the hours of eight women from 60 to 65 a week imposes no

more burden than raising the hours of eight men from 40 to 45 a week, or even than hiring one involuntarily unemployed person for 40 hours a week. A measure of real costs of labor would also have to consider working conditions. Most of us spend almost half our waking hours on the job and our welfare is vitally affected by the circumstances in which we spend those hours. To measure welfare we would need a measure of changes in the need our output must satisfy. One aspect, population change, is now handled by converting output to a per capita basis on the assumption that, other things equal, twice as many people need twice as many goods and services to be equally well off. But an index of needs would also account for differences in the requirements for living as the population becomes more urbanized and suburbanized. for the changes in national defense requirements. and for changes in the effect of weather on our needs. The index would have to tell us the cost of meeting our needs in a base year compared with the cost of meeting them equally well under the circumstances prevailing in every other year. Measures of " needs" shade into measure of the human and physical environment in which we live. We all are enormously affected by the people around us. Can we go where we like without fear of attack? We are also affected by the physical environmentpurity of water and air, accessibility of park land and other conditions. To measure this requires accurate data, but such data are generally deficient. Moreover, weighting is required: to combine robberies and murders in a crime index. to combine pollution of the Potomac and pollution of Lake Erie into a water pollution index. and then to combine crime

and water pollution into some general index. But there is no basis for weighting these beyond individual preference. There are further problems. To measure welfare we would need an index of the " goodness" of the distribution of income. There is surely consensus that given the same total income and output, a distribution with fewer families in poverty would be the better, but what is the ideal distribution? Even if we could construct indexes of output, real costs, needs, state of the environment, we could not compute a welfare index because we have no system of weights to combine them. 100Test