

# Construction And Production Capital Goods Boom; Many Factors To Stimulate Risks

Is the boom in construction and production of capital goods, which has been under way since the end of World War II, running ahead of the expansion of the economy?

That question is attracting increasing attention, and it has a direct bearing on the outlook in view of the fundamental importance of these privately-financed activities to continued prosperity and economic growth.

It is instructive, under the circumstances, to look at the record for any light it may throw on the current situation.

### What the Record Shows

The figures show that the present boom in construction and capital goods is the second in three decades. There was a comparable one throughout the Twenties, taking into consideration the difference in the size of the economy between then and now. This was followed by a prolonged let-down lasting for a decade and a half, all through the Thirties and during the entire period of World War II as well. In only few of these years did the activity in building and capital goods in the aggregate approach proportions that might be regarded as normal.

The present boom got under way in 1946, and it has been going on with increasing momentum ever since. National defense needs as the result of the Korean aggression in June, 1950, provided an added impetus in the last three years. New private investment in construction and producers' durables combined have averaged more than \$45 billions a year since 1950, according to data of the U. S. Department of Commerce. Last year saw record outlays of nearly \$49 billions for these activities.

### Current Figures Unparalleled

Such figures are without parallel. Total expenditures for construction and capital goods never touched the \$40 billion mark in the Forties, and the comparable figure for 1929 was less than a third of the present level. Thus the question of how long expenditures of the current magnitude will continue is natural under the circumstances.

But dollar totals alone are only part of the story, particularly in view of the inflationary trend of prices in recent years.

A factor of primary importance as far as the outlook is concerned is the long period of subnormal private investment in construction and capital

goods from 1930, through 1945, combined with the fact that the nation's production machinery was used more intensively than ever before during the last war. Obsolescence has therefore been abnormally high, especially in view of the technological progress of recent years.

This is evident in a special study of the situation in producers' goods made by the Department of Commerce. This study estimates that a total of \$67 billions producers' durable equipment, valued in current dollars, was discarded in the 1942-52 period. This figure represents about 46 per cent of the estimated \$145 billions spent on producers' durables during these years. For 1952 alone, the figures indicate that about three-quarters of the year's expenditures for such equipment were for replacement.

### The Obsolescence Factor

The Department of Commerce estimates that around one-third of the present stock of producers' durables is still of an average age of 10 years or more. Considering the return of keen competitive conditions in more and more lines and the need for keeping production costs down, the figure thus indicates that the obsolescence factor in producers' durable goods is still important as far as the outlook for such expenditures is concerned.

As to other elements in the current situation, the American economy has been displaying a dynamic growth trend. It is now more than three times bigger than it was in the Twenties, measured in gross national product. The population is about a third larger, and total buying power and living standards are very much higher than ever before. All these help to support expanded markets.

Along with this, the advent of a new Administration has brought a decided change in the economic atmosphere with the relaxation of Government controls and the restoration of free markets. Thus there are many factors in the situation today to stimulate incentive and the traditional American willingness to take risks.

### PRESBYTERIAN SERVICES

Sunday School at 10 A. M. To meet the needs of the rapidly increasing number of people who are coming to Sunday School, three new classes have been added. Everyone is invited to attend Sunday School at the Presbyterian Church, where the text-

## 600,000 4-H'ers Say "Let's Help Correct Safety Hazards"



Chicago—(Special)—The largest volunteer army ever organized for a peaceful mission is now "invading" farms and rural communities throughout the Nation. It consists of more than 600,000 4-H Club boys and girls whose objective is to show rural folk how to prevent accidents and fires which result in 14,000 deaths and 1 1/2 million injuries among farm people, as well as destruction of millions of dollars' worth of buildings and equipment annually.

Falls account for 36 percent of all fatal accidents in farm homes and 19 percent outside. More than 50 percent of all fatal accidents in working with farm machinery involve tractors, and overturning accounts for more than half of the tractor accident fatalities.

Safety experts give considerable credit to the contributions made by 4-H'ers for the reduction of one-fifth in the number of fatal accidents to farm people in 1951—the last year for which estimates are available—from the estimated annual rate in 1941, the first year of the National Farm Safety Week, which will be observed this year July 19-25.

Illustrative of the 4-H'ers do "approach" to the accident problem, a Tennessee club girl reported that she picked up broken glass, rusty nails protruding from boards, and other sharp articles in the farm lot; helped her father and brother become safety conscious in working with farm machinery; had a ladder with two broken rungs repaired; per-

suaded her mother to use a step-ladder in reaching high places in the house, and to always wipe up grease or water immediately if it is spilled on the floor.

A Texas 4-H boy reports that their farm tractor often was filled with gasoline to overflowing when the engine was warm. He called this unsafe practice to the attention of his father and brother and now the tractor is filled correctly. His small brothers frequently asked to ride on the tractor, but this safety enthusiast taught them to understand how hazardous it was to hitchhike a ride on a tractor.

Similar reports of the 4-H'ers participating in the National 4-H Safety program are legion. Instead of using "don't" admonitions, expressions such as "Let's Correct This Hazard" prevail.

Outstanding 4-H records of achievement in safety are rewarded with awards provided by General Motors for the ninth consecutive year. They include sterling silver medals for the blue award group in each qualifying county, and an all-expense trip to the National 4-H Club Congress in Chicago next November for the state winner. Six state winners will be chosen to receive a national award, which is a \$300 college scholarship. A handsome plaque, appropriately embossed, will be awarded to the county reporting the most outstanding county-wide 4-H safety program.

The National 4-H Safety program is conducted under the direction of the Cooperative Extension Service.

## State Asked Improve Evans Church Road

Chowan County Commissioners were presented a petition Monday morning requesting the State Highway and Public Works Commission to improve a road in the Second Township. The road in question runs from Route 32 to Ralph Dall's home and is known as Evans church road. The length of the road is approximately one mile and nine houses are on the road.

The Commissioners approved the request, which will be forwarded to the State Highway and Public Works Commission.

### He'll Get The Cream

"I'm engaged in the dairy business at present," remarked the lawyer.

"You don't say!" exclaimed his friend, the doctor.

"Fact," rejoined the legal light, "I'm milking an estate."

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## Legal Notices

### NOTICE

North Carolina Chowan County

The undersigned, having qualified as Administrators of the Estate of George Bunch, deceased, late of Chowan County, North Carolina, this is to notify all persons having claims against said estate to present them to the undersigned on or before July 9, 1954, or this notice will be pleaded in bar of their recovery. All persons indebted to said estate will please make immediate payment to the undersigned.

This 9th day of July, 1953. CLARENCE BUNCH, THOMAS E. BUNCH, Administrators.

July 9, 16, 23, 30, Aug 6, 13c

### EXECUTOR'S NOTICE

The undersigned, having qualified as executor of the estate of George W. Leary, deceased, late of Chowan County, N. C., this is to notify all persons having claims against said estate to present them to the undersigned on or before the 23rd day of May, 1954, or this notice will be pleaded in bar of their recovery. All persons indebted to said estate will please make immediate payment to the undersigned.

This 21st day of May, 1953. LEON G. LEARY, Executor of George W. Leary, Deceased.

July 2, 9, 16, 23, 30 Aug 6p

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