

## PEOPLE ADDED \$1.93 PERSONAL DEBT FOR EVERY DOLLAR OF INCREASE IN LONG-TERM SAVINGS DURING 1955

American people in their farm homes, installment and other debt spending spree last year consumer credit, agricultural mortgages, the equivalent of \$1.93 to gauge and non-real estate debt, and personal debts for every dol-life insurance policy loans, and increase in their long-term savings.

The records show that a rise of such proportions in the net debt of individuals at the expense of savings occurred only once in recent years. That was in 1950, when the increase in individual debt for the year was twice that of the rise in long-term savings. That, however, can be explained in the light of the special circumstances prevailing at the time—the outbreak of the Korean War and its implications for the consumer superimposed on the fact that the people at large were still in a catching-up period from the shortages resulting from World War II.

the one in 1954 as the largest for any year in the decade since the end of World War II, it fell \$8 billions short of matching the net amount that the people had expanded their borrowings during the year, primarily to buy homes, automobiles and other durable goods.

It is a recognized economic truism that the soundest method of financing industrial expansion and economic growth, without paying penalties for inflation and all its attendant ills, is out of the savings of the people. Up to recently the record in this respect was encouraging. In 1954, for example, the people's savings in life insurance and other thrift institutions provided half of the new money made available by the capital market to meet the credit and investment needs of business and industry, home owners, and Government (Federal, State and local combined).

**Two Basic Questions**

Here in these recent trends in personal debt and individual savings, and their relationships, is a factor with a direct bearing on two of the basic economic questions of the times. The first is whether, in the interests of sound economic progress, the people have expanded their debt too much too fast. The second is the adequacy of the present level of individual savings in view of the big expansion of capital and investment needs up to now and the certainty that these needs will grow greatly in the years ahead. It is significant in

connection to note that the growth in personal debt exceeded that of accumulated long-term savings of individuals by about \$17 billions in the last decade, and that since 1946 the growth of savings exceeded that of debt in only one year, 1954.

In 1955, however, according to preliminary figures, these demands on the capital market expanded by more than a third to a total of close to \$45 billions while the contribution of institutionalized savings increased only slightly. As a result the funds made available to the capital market by thrift institutions fell to little more than a third of the total. This is why more and more attention is now being paid to ways and means of encouraging more personal savings to provide the economy with the funds needed for continued expansion and for a further rise in living standards.

**Rising Capital Needs**

While all forms of personal debt have increased in the last decade, the figures show that home mortgage debt, estimated at \$89 billions at the 1955 year-end, was five times bigger than it was at the end of 1945. Owners' equities in their homes have, of course, increased also but there are no figures for this. Consumer credit has risen some sixfold in the period, from less than \$6 billions at the end of 1945 to more than \$36 billions last December, with installment debt the big factor. Aggregate farm debt has more than doubled in the decade. Life insurance policy loans have shown a relatively modest rise, both proportionately and in dollar totals.

As a result of recent trends, the total of personal debt at the end of 1955 came to the equivalent of 63 cents of every dollar of accumulated long-term savings of individuals at that time. This was just under the proportion that prevailed between the two in 1940, but it compares with a ratio of only 25 cents in personal debt for every dollar of long-term savings at the filled more than two-thirds full. end of 1945.

### PTA Committees Named At Central

Committee memberships for the Central Grammar School PTA were announced during the meeting of the organization held last Monday, following the annual PTA picnic.

Named to serve on committees during the next school year were: Budget and finance, Thomas Stanton and Mrs. Bryant Miller; membership, Mrs. Frank Bray; study group, Mrs. Thelma Rogerson; magazine, Mrs. Elwood Nowell; program, Mrs. E. W. Long; room representatives, Mrs. Thelma Riddick; publicity, Miss Johnnie White; ways and means, Floyd Matthews; Tom Banks, Thurman Riddick, Raymond Stanton, Elwood White, Arvin Hudson.

Historian, Mrs. Johnny Bray; character and spiritual education, Mrs. Percy Trueblood; world citizenship, Mrs. George Baker; hospitality, Mrs. Melvin Eure; goals, Mrs. John Hurdle; building fund, Mrs. Eugenia Beck; recreation, Thomas Butt; safety, Nathan Matthews; publications, Mrs. William Winston; school lunch, Mrs. Essie Benton, Mrs. Bertha Lane, Mrs. Bill Bagley; school grounds, Arvin Hudson, Floyd Matthews, Johnnie Bray, George Baker and Raymond Stanton.

### GIANT SATELLITE TO RULE THE EARTH

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# NOTICE!

By order of the Town Council, in regular meeting, 1955 delinquent taxes in Hertford will be advertised on June 11, 1956.

The sale of the same will be held on Monday, July 9th, 1956. Please make settlement now and save yourself additional costs of advertising.

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CLERK TOWN OF HERTFORD

### VOTERS OF PERQUIMANS COUNTY

I have a vital interest in the public school system of Perquimans County and North Carolina. My first child entered school in September of 1942 and my last child should graduate in June of 1971.

During this 29 year period I will have had three and four children in school most of this time. After the first 14 years as a parent of school children I feel that I am familiar with the operations of the school system in this county.

If you are old-fashioned enough to believe that the PRIMARY PURPOSE of our public schools is to give a child an academic education then a vote for me will not be wasted.

**Herbert N. Nixon**  
Candidate for Perquimans County Board of Education

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### Corn Prices Set For Coming Year

In North Carolina's 27 commercial counties, corn producers will be eligible for price support this year whether they plant within their allotment or not. Tilman R. Walker, chairman of the ASC State Committee, explained that this change was made recently by the Secretary of Agriculture at the same time that he increased support rates to all corn growers. The rate in these counties for producers who overplant their allotment will amount to approximately \$1.41 a bushel. According to Walker, this is based on an announced national average of \$1.25 a bushel plus a 16c differential that prevails in this state.

In these same counties, producer who plant within their acreage allotment will receive a minimum national average support of \$1.50 a bushel. The 16c differential would raise this to \$1.66 in this state.

In the 73 non-commercial counties in this state, the law required that corn be supported at 75 per cent of the rate paid in the commercial area. Seventy-five per cent of the \$1.66 figure would give an approximate minimum support rate in this State of \$1.24 1/2 a bushel. According to Walker, this compares with \$1.12 1/2 announced by the secretary for the nation.

All of the support prices indicated above, Walker explained, are "minimums." This means that the final support rate will not be reduced below the announced "minimum," but it may be increased if the supply and price situation on October 1, 1956, indicated that an increase is desirable. The secretary had previously announced that the minimum national average support rate for farms in commercial counties who plant within their allotments would be \$1.66 a bushel. "The increase in the rate and the change in eligibility requirements in commercial counties was announced by the Secretary after he had been requested by the Pres-

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