

## People's Interest-Earning Assets Cross \$500 Billion—Biggest Source Of Capital

The interest-earning personal assets of Mr. and Mrs. America crossed the \$500 billion mark for the first time in 1961 to strengthen their collective and undisputed position as by far the nation's biggest lender and source of capital funds.

The exact figure came to \$510 billions for the year, according to data compiled by the Federal Reserve System in its study of the flow of funds throughout the economy. This sum represents the total of the people's assets in their thrift and savings institutions—life insurance, various types of savings accounts, and private and public pension funds excluding the trust funds of the Social Security System—combined with direct ownership of Government and corporate bonds and other fixed-dollar investments.

### Growth of Thrift Institutions

What stands out particularly from the longer-term trend is the growth of the people's thrift institutions; but these, of course, are no more than custodians and intermediaries through which the public's savings and other accumulated funds are invested in the country's economic life. Last year, for example, the institutional group represented close to \$3 out of every \$3 of all the public's interest-earning assets, as against a proportion of \$3 out of every \$5 in 1950 and \$2 out of every \$3 in 1955.

The 1961 total represented a gain of \$30 billions over the year before as compared with a rise of \$20 billions in 1960 and an annual average increase of just over \$22 billions for the 1950-60 period as a whole. As a result, the total of the public's interest-earning personal assets was practically double that of the aggregate of nearly \$257 billions at the beginning of the decade of the Fifties.

The figures and their growth over the years confirm the extent that the American people are continuing to rely on fixed-dollar types of savings and investments as the foundation of individual and family financial planning for the future.

### More Lender Than Borrower

Of course, people are borrowers as well as lenders, often at the same time, and in general tend to be more conscious of their debts and carrying charges than their interest-earning re-

sources in the course of their everyday affairs. And many a person is more of a debtor than a creditor at certain periods of the life cycle, particularly so in the case of the average younger individual in the early stages of establishing a career and founding a home and a family.

Nonetheless, the public at large is far more a lender than a borrower when aggregates are concerned. Federal Reserve figures show that the total of personal debt, over two-thirds of which consists of mortgage loans, added up to \$220 billions last year and was exceeded by the people's interest-earning assets by a margin of \$232 in such assets for every \$1 of debt.

Thus interest is a two-sided coin as far as the public is concerned, and the benefits on the receipts side are widely distributed throughout the population. Of particular importance in this connection is the fact that investment earnings contribute nearly a fifth of the income of U. S. life insurance companies annually, thus holding down the cost of life insurance, and are likewise an important factor in the operation of the nation's far flung pension and retirement system, public and private combined.

### Preponderance of Savers

The figures likewise show a preponderance of numbers in the ownership of interest-earning assets as compared with the debt side of the ledger. Today, for example, there are 120 million policyholders in legal reserve life insurance companies, representing two out of every three persons in the entire population. There is also an approximately equivalent number of savings accounts of all kinds including those in savings and loan associations. Along with this, the greater part of the working population is covered by private and public retirement plans of all types. As for debt, the University of Michigan Survey of Consumer Finances indicates that about two out of every three of the nation's spending units have some personal debt.

Almost half the cases involving a nonfarm home mortgage. The Federal Reserve lists the combination of time deposits as the biggest single component in the people's interest-earning assets with a total of \$186 billions



REVOLUTIONARY—Angelise, Odile and Nadege, from left to right, wear three novel hair styles—and made of their own hair, too—on the Champs Elysees, Paris France.

last year. Savings in life insurance, excluding insured pension funds, came next with more than \$94 billions, followed by \$90 billions accumulated behind insured and noninsured pension funds, private and public combined but excluding OASDI. The balance of the \$140 billions of fixed-dollar personal assets last year consisted primarily of U. S. Savings Bonds, Government marketable bonds (Federal, State and local combined), and mortgage loans made by individuals.

### Annual ASCD Fish Fry August 25

Continued from Page 1, Section 1 who have tickets available. Soil Conservation Service personnel also have tickets.

The proceeds will be used to help run the district program in Chowan County as well as the other four counties in the Albemarle District. It will be used for district expenses such as paper, stationery, postage and district sponsored contests, such as the conservation poster contest, land judging contest and woodland clinic.

"Let's plan to attend and enjoy a good meal out and at the same time support your district program," says Mr. Cox.

### Architect Employed For New Building

Continued from Page 1, Section 1 Department.

During the meeting bids were opened for the town's insurance. Twiddy Insurance & Real Estate Company, was low bidder and was awarded the comprehensive general liability and comprehensive automobile insurance. Nationwide Insurance Company was awarded the workmen's compensation insurance.

Jack Thomas, manager of Purline Packing Company, appeared at the meeting relative to leasing from the town a strip of ground along the runways at the former Marine Corps Air Station. The Councilmen were not opposed to the lease, but desired to investigate further before taking action.

Contributions of \$100 each were requested by the Edenton-Chowan Planning Board and by Tom Shepard in connection with a Democratic district rally to be held in Edenton October 9. Both requests were granted, although the rally contribution was opposed by three of the Councilmen, Luther Parks, C. A. Phillips and R. E. Forehand.

The Councilmen approved a request by the Edenton Chamber

of Commerce to lease the former public works building at the base for use as an industrial training school.

After correspondence by Town Clerk W. B. Gardner with the League of Municipalities, it was learned that the Town of Edenton has no jurisdiction over boating regulations in adjoining waters. Elton Forehand was instructed to contact the Wildlife Resources Commission to see if some rules could not be enforced in the interest of greater safety for boaters and skiers.

It was also decided to remove the two parking meters on West King Street due to congested traffic caused when cars are parked there. It was also decided to place caution signs at the corner of Queen and Mosely Streets, the scene of several recent accidents.

### Cancer Directors Will Meet Tuesday

The board of directors of the Chowan County unit of the American Cancer Society will meet Tuesday night, August 28 at 8 o'clock in the Municipal Building.

The executive board will meet 30 minutes earlier, at 7:30.



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